

MINUTES

**McCall City Council
Regular Meeting
High School Annex
401 North Mission Street
March 10, 2011**

Agenda

Call to Order and Roll Call
Approve the Agenda
Reports
Pledge of Allegiance
Public Hearing
Public Comment
Business Agenda
Consent Agenda
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Bailey called the regular meeting of the McCall City Council to order at 5:38 p.m. Council Member Aymon, Mayor Bailey, Council Member Delaney, Council Member Scott, and Council Member Witte all answered roll call. A quorum was present.

City staff present was Lindley Kirkpatrick, City Manager; Bill Nichols, City Attorney; Dennis Coyle, Parks and Recreation Director; John Anderson, Airport Manager; Jerry Summers, Police Chief; Carol Coyle, Grant Coordinator; Peter Borner, Public Works Director; David Simmonds, Information Systems Manager; Michelle Groenevelt, Community Development Director; Eric McCormick, Golf Course Superintendent; Anne Kantola, Library Director; Linda Stokes, City Treasurer; and BessieJo Wagner, City Clerk.

Mayor Bailey approved the amended agenda as submitted.

REPORTS

Department Reports

Lindley Kirkpatrick, City Manager, stated that the HVAC project at City Hall was nearly completed. Mr. Kirkpatrick reviewed the Council Meeting Schedule stating that there was a need to schedule a Special Meeting for a public hearing to consider the adoption of a resolution authorizing the filing of a Joint Petition for Judicial Confirmation of the Settlement Agreement between the City of McCall and Payette Lakes Recreational Water & Sewer District on Tuesday April 5, 2011 at 6 p.m.

There was some general discussion concerning the increased number of pot holes throughout the City.

Anne Kantola, Librarian, gave a brief explanation of why dogs are not allowed in the Public Library, stating that it was written into the Library's policy and that the Library Board was very adamant that no animals be allowed in the library. Council Member Delaney expressed her disappointment with the decision to not allow dogs in the library as she had had positive experiences with quiet animals in the Library.

Mayor Bailey asked what the cost of the addition of the Airport sewer connection would be, John Anderson, Airport Manager, stated that it was in the planning stages and did not have a cost estimate at that time.

In response to Council Member Witte's question, Peter Borner, Public Works Director stated that the Public Works receive many calls concerning maintenance of the streets during snow times and is working on solutions and customer understanding.

Lindley Kirkpatrick, City Manager, responded to Council Member Witte's question concerning the noxious weed management plan, stating that there would be a Council work session toward the end of April to discuss the noxious weed management plan.

Mayor Bailey commented on the Planning and Zoning Commission minutes, stating that the McCall City Code limited the term limits of Commissioners to 2 – 3 year terms. Mayor Bailey wanted to ensure that the limits of the commissioners were understood and that the City could decide to change the length of the terms up to six year terms based on State Code.

Committee Minutes

The Council received copies of the following committee minutes:

- Airport Advisory Committee – February 3, 2011
- Environmental Advisory Committee – December 14, 2010
- Environmental Advisory Committee – January 18, 2011
- McCall Public Library Board of Trustees – January 19, 2011
- McCall Improvement Committee – February 3, 2011
- McCall Urban Renewal Agency – January 18, 2011
- McCall Urban Renewal Agency Special – January 27, 2011
- Planning and Zoning Commission Special – December 1, 2010
- Planning and Zoning Commission – December 7, 2010
- Planning and Zoning Commission – January 4, 2011

Mayor Bailey led the audience in the Pledge of Allegiance at 6:03 p.m.

PUBLIC HEARING

Council Member Scott was recused.

AB 11-43 CUP-10-07 Shore Lodge Beach Club

Michelle Groenevelt, Community Development Director, stated that the public hearing could not be held due to a recorder failure at the Planning & Zoning Commission hearing. Staff recommended that CUP-10-07 be remanded back to the Planning and Zoning Commission to repeat the Planning and Zoning Commission public hearing. CUP-10-07 will be presented to the City Council at a future date.

Mayor Bailey moved to remand CUP-10-07 back to the McCall Area Planning and Zoning Commission. Council Member Witte seconded the motion. In a roll call vote, Mayor Bailey, Council Member Witte, Council Member Aymon, and Council Member Delaney all voted aye and the motion passed.

Council Member Scott rejoined the Council

PUBLIC COMMENT

Mayor Bailey called for public comment at 6:08 p.m.

Hearing no comments, Mayor Bailey closed the public comment.

BUSINESS AGENDA

AB 11-40 FY10 Audit Report presented by Bobby Lawrence, Partner, Eide Bailly LLP

The annual Audit Report for the fiscal year ended September 30, 2010 was presented to Council by Bobby Lawrence with Eide Bailley, the City's auditors. Mr. Lawrence discussed the audit documents with the Council and answered questions during the process. The City received a clean audit, with no problems identified. Mr. Lawrence pointed out that this year the auditors completed only two journal entries – accounting steps to ensure that the financial statements are accurate. He stated that when he began working with the City of McCall, in the late 1990s, the auditors had to do over 100 journal entries. Mr. Lawrence complimented Linda Stokes, City Treasurer, on a job well done.

AB 11-45 McCall Urban Renewal Agency Board of Commissioners Appointment

Council Member Scott moved to appoint David Peugh to the McCall Urban Renewal Agency Board of Commissioners, to a term expiring March 2013. Council Member Delaney seconded the motion. In a voice vote all members voted aye and the motion carried.

Council Member Scott was recused.

AB 11-41 Airport Advisory Committee Appointment

Council Member Delaney moved to re-appointed Dan Scott to a three year term to expire March 2014 and re-appoint Rick Fereday to a two year term to expire March 2013. Council

Member Witte seconded the motion. In a voice vote all members voted aye and the motion carried.

Council Member Scott rejoined the Council

AB 11-38 Parks and Recreation Advisory Committee Member Appointment

Shorty Clarke, Chairman of the Parks and Recreation Advisory Committee, introduced Bill McDonald to the Council.

Council Member Aymon moved to appoint Bill McDonald to the Parks and Recreation Advisory Board with the term to expire in May of 2013. Council Member Witte seconded the motion. In a voice vote all members voted aye and the motion carried.

AB 11-39 Local Option Tax Commission Appointment

Mayor Bailey moved to appoint Bob Giles to the Local Option Tax Commission as the existing member of a City Advisory Committee to a term expiring December 31, 2011. Council Member Witte seconded the motion. In a voice vote all members voted aye and the motion carried.

AB 11-44 McCall Area Pathway Master Plan Update and Funding

Michelle Groenevelt, Community Development Director; and Dennis Coyle, Parks and Recreation Director; presented the options for the McCall Area Pathway Plan. After some discussion, the Council came to a consensus to hire a consultant to work on the Pathway Master Plan. The funds that had been earmarked for a Downtown Master Plan will be used to pay for the work, and the Downtown Master Plan will be delayed for a year.

Mayor Bailey moved in favor of option #1 to hire consultants to assist in the development of the McCall Area Pathway Plan. Council Member Aymon seconded the motion. In a voice vote all members voted aye and the motion carried.

Mayor Bailey recessed the meeting at 6:53 p.m.

Mayor Bailey reconvened the meeting at 7:00 p.m.

AB 11-42 Local Option Tax Renewal Discussion

Lindley Kirkpatrick, City Manager, reviewed the memo provided to Council on the items for discussion. Mr. Kirkpatrick clarified that if the Council chose to go to the voters in May then an ordinance would have to be adopted at the next Council meeting and in order to draft an ordinance staff needs direction from Council on the following questions:

- 1. Should a local option occupancy tax be proposed upon hotel and motel rooms and other short-term lodging? If so, at what rate?*
- 2. Should a local option sales tax be proposed upon rentals of snowmobiles, autos, boats and personal watercraft? If so, at what rate?*

3. *Should a local option sales tax be proposed upon liquor-by the-drink; wine and beer sold at retail for consumption on the licensed premises; and prepared meals? If so, at what rate?*

4. *Should a local option sales tax be proposed upon prepared meals (any food or meals prepared and sold by restaurants, cafes and bars, or catered within the City)? If so, at what rate?*

5. *How long should the new local option tax be in place?*

6. *What should the allowable uses be?*

7. *Should set dollar amounts or percentages be allocated to each purpose?*

8. *Should the local option tax process continue to use a Local Option Tax Commission?*

9. *Should all members of the Commission be city residents?*

10. *Should fixed terms of membership be established? If so, should there be a limit on the number of terms a member may serve?*

11. *Should the issue be presented to the voters on May 17 or on November 8?*

12. *How should the issue be presented to the voters?*

The March 24, 2011 Council meeting will be another opportunity for public input. The Council would adopt an ordinance that evening which would define what would be presented to the voters on May 17, 2011.

Mayor Bailey asked for clarification as to why the Local Option Tax time frame is on a calendar year while everything else is based on the fiscal year. Mr. Kirkpatrick stated that it was manageable the way it was and did not see it as a problem and could not recognize an advantage one way or the other to change the current process.

Mayor Bailey suggested that the LOT Commission members should not be required to be city residents. He would support the LOT Commission recommendation that two of the members of the Commission be from the business community. Mayor Bailey also stated that he did not think that the terms of the Commission needed to be fixed; he stated that the current process has worked and did not see a reason to change it.

Council Member Aymon asked the LOT Commission Members what their opinion was as far as the commission. Steve Gleason, Commission Chair, stated that he was open to whatever direction the Council wanted. Lance Daniels, Commission Member, stated that he felt that the terms should be staggered as the seven years was a long term commitment and for five of the members the seven years was too long and had to be replaced.

Council Member Delaney asked the Commission Member's opinion on the makeup of the Commission. Mr. Gleason stated that he thought the members should consist of 2 members from

the business community, 2 members from other city committees, 2 city residents, and 1 senior citizen.

Mayor Bailey brought up the question of whether the commission should be retained as the state statute does not require a Local Option Tax Commission. There was a general consensus among the Council in favor of maintaining the Commission.

Public Comment

Rick Certano, Chamber of Commerce President, stated that he would caution the commission on breaking the money into too many pieces. He felt that there was more benefit in fewer larger projects. He also thought it was important to put funding into advertising.

Steve Gleason, Local Option Tax Commission Chair, stated the he had been on the LOT Commission from the beginning. He shared how LOT funding had impacted the community over the past seven years. Mr. Gleason voiced his support of the LOT and the new items to add to the LOT. He also supported that a portion of the tax be used for advertising, and supported the use of LOT funds to support projects outside the city limits.

There was a brief discussion as to how much of the LOT funds were being used for promotion or advertising and how much should be used going into the future.

Rod Nielsen, a restaurant owner, stated that they were starving. He felt that the tax burden should be shared by all the citizens and the Council should consider a half of a percent sales tax across the board and not focus in on the restaurants. Mr. Nielsen also expressed concern with the possibility of a tax on liquor by the drink and the difficulty of collecting the tax and the effects it would have on his business.

Lance Daniels, LOT Commission Member, supported the recommended changes. He also stated that he was in favor of a fixed amount for marketing. Mr. Daniels voiced a concern that if there was too much change to the current process, there was a chance that the City could lose the LOT all together.

Carl Barrett, LOT Commission Member, gave his perspective as a business owner. He supports the LOT. He stated that even at his auto parts store, his business is affected by the flow of tourist.

Mel Moore, a representative from the snowmobile club was against a general tax and in favor of the hotel tax.

David Carey, Member of the Chamber of Commerce and hotel owner, stated that many of the Hotel owners do not live in McCall and do not have a vote. He stated that he was in favor of the LOT and a percentage going for marketing. He questioned whether the funds are being allocated appropriately. He stated that all the projects funded were good projects; however he questioned if it was the appropriate way to allocate the funds. In relation to the liquor by the drink and restaurant food, he stated that management for the collector could be difficult. Mr. Carey was in favor of a portion of the funds be used for promotion and advertising.

Colby Nielsen, employee of a recipient of LOT funds, spoke in favor of the LOT. He stated that he would like to find the best way to keep the Local Option Tax to continue. Mr. Nielson spoke in favor of a general sales tax to more equally tax.

Rick Certano, Chamber of Commerce President, stated that more taxes could be negative and it may be better to go with just the bed tax.

The Council engaged in a wide ranging discussion about options for the renewal of the Local Option Tax. As the Council worked through the questions they decided to not pursue the proposals to add local option taxes for liquor-by-the-drink, prepared meals, or rental vehicles. There was a general consensus of the Council to only pursue the proposal of the renewal of the lodging tax. There was some discussion of changing the tax from the current 3% to either 4% or 5%.

The three main items that will need to be decided by the Council at the next meeting is the make-up of the commission, the allowable uses, and the percentage of the tax.

AB 11-47 Resolution 11-03, in opposition to HB197

The Council engaged in discussion of Resolution 11-03, which expressed the Council's opposition to House Bill No. 197 (HB197). HB197 would eliminate the budget stabilization levy from the McCall Donnelly School District and three other school districts in the State of Idaho. In addition to taking away \$5.6 million from the McCall Donnelly School District (53% of their Maintenance and Operation budget), it would take away \$120,000 from the McCall Urban Renewal Agency (20% of their property tax revenue). The School District would have the ability to seek voter approval to return some or all of that funding through a vote. However, the Urban Renewal Agency would have no way to restore that funding.

Council Member Witte suggested that a "WHEREAS" statement be added that states the City of McCall is in favor of stable funding for education.

Mayor Bailey moved to adopt Resolution 11-03, as amended to add "the City of McCall supports stable funding for education, to allow for long term planning" and authorize the Mayor to sign all necessary documents. Council Member Aymon seconded the motion. In a roll call vote Council Member Scott, Council Member Aymon, Mayor Bailey, Council Member Witte, and Council Member Delaney all voted aye and the motion passed.

AB 11-37 Technical Advisory Group Independent Advisor Agreement

Peter Borner, Public Works Director, presented the professional services agreement with Gary Young stating that Mr. Young was the former Public Works Director in Twin Falls. He stated that Mr. Young would serve as the Independent Advisor for the wastewater Technical Advisory Group (TAG). The TAG was created as part of the settlement agreement with the Sewer District.

Council Member Delaney moved to approve the Consulting Agreement with Gary Young, as amended

- **Section 3 to read as follows: *Insurance. Independent Advisor shall obtain and maintain errors and omissions insurance with limits of liability not less than \$500,000 per claim and \$1,000,000 in aggregate until approval of the final version of the TAG***

Plan, or December 31, 2011, whichever comes first, unless the term is extended in writing by the City. The City of McCall will reimburse Independent Advisor for said insurance premiums not to exceed \$5,000.

and authorize the Mayor the sign all necessary documents. Council Member Aymon seconded the motion. In a roll call vote Council Member Scott, Council Member Aymon, Mayor Bailey, Council Member Witte, and Council Member Delaney all voted aye and the motion passed.

CONSENT AGENDA

Staff recommended approval of the following items:

- Minutes February 24, 2011
- Warrant Registers Dated February 4, 2011
- Payroll Report for Period Ending February 18, 2011
- AB11-48 City Hall photocopier lease from Ikon Office Solutions


A brief discussion took place regarding the Warrant Register correct the minutes.

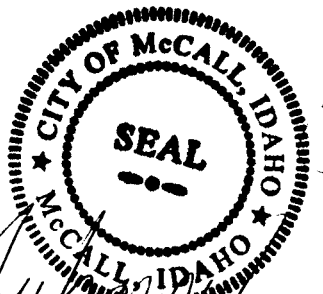
Council Member Delaney moved to approve the Consent Agenda. Council Member Witte seconded the motion. In a roll call vote Council Member Scott, Council Member Aymon, Mayor Bailey, and Council Member Delaney all voted aye and the motion passed.

ADJOURNMENT

Without further business, the Mayor adjourned the meeting at 10:14 p.m.

ATTEST:


BessieJo Wagner, City Clerk




Donald C. Bailey, Mayor