

**DRAFT MINUTES OF THE CITY COUNCIL MEETING
FOR THE CITY OF HAYDEN, KOOTENAI COUNTY, IDAHO**

Tuesday, August 25, 2026

Regular Meeting: 5:00 PM

Hayden City Hall Council Chambers, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER

The meeting was called to order at 5:01 PM.

ROLL CALL OF COUNCIL MEMBERS

Present: Ed DePriest, Matthew Roetter and Tom Shafer. David Erickson attended virtually.

PLEDGE OF ALLEGIANCE

Mayor Davis asked Council Member Shafer to lead the pledge of allegiance.

ADDITIONS OR CORRECTIONS

Item 7B will be moved up on the agenda to be heard prior to Item 3A

1. **CONSENT CALENDAR** *All items on the Consent Calendar are Action Items*
 - A. Approval of August 11, 2026 City Council Meeting Minutes
 - B. Approval of the Reappointment of Steve Meyer and Colin Meehan to the Hayden Urban Renewal Agency Board
 - C. Approval of SportSites, Inc. Customer Agreement for Online Registration Services
 - D. Approval of CSG Forte Payment, Inc. Payment Processing Agreement of Online Registration Fees
 - E. Approval of PZE-25-0080 Sycamore Valley Subdivision Master Development Agreement
 - F. Approval of Hayden Lake Marathon Support Agreement
 - G. Approval of the Property Use Agreement with 3140 W Hayden, LLC for Hayden Ave/Atlas Rd. Intersection Improvement Project
 - H. Approval of Bills for Payment

MOTION: Council President DePriest moved to approve the consent calendar as presented. Council Member Roetter provided the second.

ROLL CALL VOTE:

Council Member Shafer	Yes
Council Member Erickson	Yes
Council Member Roetter	Yes
Council President DePriest	Yes

The motion was approved by a unanimous vote in favor.

2. VISITOR/PUBLIC COMMENT (3-minutes maximum)

None

3. COMMISSION REPORT

A. Hayden Urban Renewal Agency

Hayden Urban Renewal Agency Board Chair Ronda Mitchell reported that the Board has spent most of the year evaluating options for a civic center at the former Owl Café property. After workshops, site visits, and collaboration with the city, the agency determined that combining a senior center and civic center would create competing uses, so the focus is now solely on developing a civic center. The city will lead the project while HURA participates with Bernardo Wills and a steering committee beginning this week. The goal is to design a facility that meets community needs and compliments future park renovations.

HURA also funded design and survey work for improvements at the Honeysuckle and Government Way intersection to ease traffic flow. Additional funds were approved for the "Come Together" bench art program, with the final \$12,500 allocated and painted benches soon to be installed. In its newly adopted budget, HURA included funding for the civic center design, Government Way and Miles Avenue design work, and improvements related to McIntire Park and key intersections.

No council questions followed, and members expressed appreciation for HURA's community contributions, including the bench project.

4. PUBLIC HEARING (Public Testimony will be received for these items)

A. **ACTION ITEM** Amending Fiscal Year 2025-2026 Budget

Mayor Davis opened the public hearing at 5:14 p.m.

Lisa Ailport, City Administrator, provided a presentation to amend Fund 130, the major capital fund, in the current fiscal year's budget. She explained that the amendment does not request new money but reallocates existing funds to cover the Honeysuckle-Ramsey roundabout project. The project was designed previously, land acquisition was completed, and bidding moved forward; the amendment allows the city to properly account for the \$1.7 million project expense.

Fund 130, which serves as the city's long-term capital savings account, will increase from the originally budgeted \$883,000 to approximately \$2.6 million to reflect the reallocation. This change was previously published for public notice.

Council members had no questions. No members of the public provided testimony, and the hearing was closed at 5:17 p.m.

B. **ACTION ITEM** Fiscal Year 2026-2027 Budget

Mayor Davis opened the public hearing at 5:18 p.m.

Lisa Ailport, City Administrator, presented the proposed FY 2026-27 budget, noting it was largely the same as the version reviewed during the publication phase a month earlier. The presentation covered all city funds and explained long-range financial planning efforts aimed at developing a three-to-five-year budgeting framework. Major increases in the coming year reflect planned investments in transportation projects, park improvements funded through impact fees, and a sewer master plan update within the enterprise fund.

The budget timeline remains on schedule, and staff highlighted Hayden's recent growth trends and revenue changes for public context. The summary showed multi-year budget comparisons, including variations driven by past sewer project contributions and expenditures. Staff reviewed how city funds are categorized, how revenues are collected, and how expenditures are divided among labor, operations, capital, and reserves.

Capital improvement planning is a key driver of the budget. Staff described separate five-year plans for parks, transportation, and sewer systems, aligned with saved funds and potential grant opportunities. Planned capital work includes park upgrades, fleet and equipment replacements, improvements to public works facilities, parking lot rehabilitation, and sewer collection system projects.

On the sewer side, residents will see an estimated monthly increase of about \$3.25 per equivalent residential unit (ER), tied mostly to treatment-plant costs, labor, and operations; collection system needs account for a smaller portion. The city also outlined ongoing payments on low-interest DEQ bonds used for prior treatment-plant regulatory upgrades.

The presentation concluded with a review of property tax impacts. Although the city is taking a 3% property tax budget increase plus allowable new-construction value (about 2.5%), the tax rate per \$100,000 of assessed value will decrease because the levied amount (property tax budget) is spread across a larger number of properties.

Council members asked several clarifying questions regarding how new construction affects tax distribution. No further questions were raised.

QUESTIONS: None

PUBLIC COMMENTS:

Lorelle Cardenas, Hayden resident, expressed appreciation that the city's property tax rate is decreasing but noted that her home's assessed value rose significantly, close to \$100,000, resulting in higher total taxes owed despite the lower levy rate. She highlighted that many homeowners experience these annual increases in assessed value, which still drive their tax bills upward.

City staff and council responded by explaining how assessments and levy rates interact: although assessed values may rise, the city's budget growth is capped, and the levy rate adjusts downward as total taxable value increases. It was clarified that taxpayers pay only their proportional share of the city's property-tax budget, not a direct percentage of their home's assessed value. Council also commented that the effective cost for city services is still relatively low, roughly a dollar a day for a \$500,000 home.

With no further public comment, the hearing was closed at 5:42 p.m.

5. UNFINISHED BUSINESS

A. ACTION ITEM Resolution Adding the Artificial Intelligence Policy to the Employee Manual

The council reviewed a resolution to incorporate a new AI policy into the city's employee manual. Members had seen the policy previously and had already indicated support for it. Staff explained that the version shared earlier contained

minor administrative errors and that these issues were corrected. No substantive policy changes were made.

Council asked clarifying questions about the city's current use of AI. Staff confirmed that Hayden uses Microsoft 365, which includes Microsoft Copilot as its approved AI platform. The city aims to ensure consistency and avoid employees using multiple or unvetted AI tools, especially when handling sensitive information.

Council noted minor cleanup items, such as an incorrect city name in a prior draft, and confirmed those had been fixed. With no further questions, the council proceeded with the action to add the AI policy to the employee manual.

MOTION: Council President DePriest moved to approve the resolution. Council Member Shafer provided the second.

ROLL CALL VOTE:

Council Member Roetter	Yes
Council Member Erickson	Yes
Council Member Shafer	Yes
Council President DePriest	Yes

The motion was approved by a unanimous vote in favor.

B. **ACTION ITEM** Specialized Needs Recreation Contribution Increase Request

The council revisited a request from Specialized Needs Recreation to increase the city's annual contribution. SNR asked for an additional \$3,000, raising Hayden's support from \$3,000 to \$6,000. The Parks and Recreation Commission recommended going slightly higher to \$6,500, but council questioned exceeding the organization's stated request.

Council members discussed budget capacity, noting that the increase was not planned but could be absorbed with minor adjustments. Members compared the request to previous funding decisions, including declining support for the Hayden Lake Watershed group due to its ability to raise its own tax revenue. Several council members emphasized that SNR, as a nonprofit serving individuals with disabilities, cannot levy taxes and supports families with significant financial and caregiving challenges.

Council also noted the city's past support for other nonprofits, such as the senior center. After discussion, consensus formed around approving the amount SNR requested, \$6,000, rather than the higher commission recommendation.

The council indicated broad support for the contribution increase at the \$6,000 level.

Before the council moved to a motion, staff noted the importance of adding transparency and accountability to the city's contribution to Specialized Needs Recreation. Ms. Ailport explained that, similar to the agreement the city maintains with the senior center, staff would like to develop a formal agreement with SNR. This would ensure the city receives basic accountability measures, such as information on how the funds are used, annual income and expenses, and confirmation that the contribution directly supports the program's activities.

She emphasized that this agreement would be brought to council at a later date if the increased contribution is approved, so the public can be confident that taxpayer funds are being used responsibly.

MOTION: Council Member Roetter moved to increase the contribution to allocate \$6000 to SNR with accountability element to come to council in the future. Council President DePriest provided the second.

ROLL CALL VOTE:
Council Member Erickson Yes
Council Member Shafer Yes
Council President DePriest Yes
Council Member Roetter Yes

The motion was approved by a unanimous vote in favor.

6. NEW BUSINESS

A. **ACTION ITEM** Appropriation Ordinance Adopting FY2025-2026 Budget Amendments

MOTION: Council President DePriest moved to allow the ordinance to be read by title only, to suspend a rule of reading in full on three separate dates and approve the first reading. Council Member Roetter provided the second.

ROLL CALL VOTE:
Council Member Shafer Yes
Council Member Erickson Yes
Council Member Roetter Yes
Council President DePriest Yes

The motion was approved by a unanimous vote in favor.

Mayor Davis read the ordinance by title only.

MOTION: Council President DePriest moved to adopt the ordinance having passed its first reading by Title only and published by summary incorporating the Title as a core of the summary upon passage. Council Member Shafer provided the second.

ROLL CALL VOTE:
Council Member Shafer Yes
Council Member Erickson Yes
Council Member Roetter Yes
Council President DePriest Yes

The motion was approved by a unanimous vote in favor.

B. **ACTION ITEM** Appropriation Ordinance Adopting FY2026-2027 Budget

MOTION: Council Member Roetter moved to allow the ordinance to be read by title only, to suspend a rule of reading in full on three separate dates and approve the first reading. Council President DePriest provided the second.

ROLL CALL VOTE:

Council Member Shafer	Yes
Council Member Erickson	Yes
Council Member Roetter	Yes
Council President DePriest	Yes

The motion was approved by a unanimous vote in favor.

Mayor Davis read the ordinance by title only.

MOTION: Council Member Shafer moved to adopt the ordinance having passed its first reading by Title only and published by summary incorporating the Title as a core of the summary upon passage. Council President DePriest provided the second.

ROLL CALL VOTE:	
Council Member Shafer	Yes
Council Member Erickson	Yes
Council Member Roetter	Yes
Council President DePriest	Yes

The motion was approved by a unanimous vote in favor.

C. **ACTION ITEM** Resolution Adopting 2027-2031 5-Year Capital Improvement Plan

MOTION: Council Member Shafer moved to approve resolution. Council President DePriest provided the second.

ROLL CALL VOTE:	
Council Member Erickson	Yes
Council Member Roetter	Yes
Council President DePriest	Yes
Council Member Shafer	Yes

The motion was approved by a unanimous vote in favor.

D. Public Works Project Updates - August 2026

Alan Soderling provided a comprehensive update on multiple public works projects, focusing on road maintenance, temporary traffic signal installations, intersection improvements, right-of-way acquisition progress, and the status of the Ramsey-Honeysuckle roundabout.

He reported the annual chip seal project is nearly complete, finished under budget at \$654,000 and covering 19.7 miles, significantly improving road conditions on the northwest side of town. Temporary signals at Hayden & Ramsey and Hayden & Atlas are moving forward: the Ramsey signal will begin construction in early October and remain in place long-term until the city can fund a full roundabout. Right-of-way acquisition for the Atlas-Hayden widening is nearly finished, enabling left-turn lanes to be added this fall before winter. Council will likely see bid awards at the next meeting.

For Government Way intersections at Miles and Honeysuckle, designs are underway, with right-of-way acquisition beginning soon. HURA has budgeted funding to assist. Acquiring right-of-way first will make these projects highly competitive for state grants.

Regarding the Ramsey–Honeysuckle roundabout, underground utilities should finish this week, allowing curb work and center-island construction to begin next week. The project is behind schedule, with substantial completion currently expected in early October rather than late August, and staff is working with the contractor to resolve contractual issues.

He also updated the council on preparations to rehabilitate the Stoddard silo, estimating an \$80,000–\$100,000 cost that includes paint abatement, structural repairs, sealing, repainting, and roof replacement, positioning the project to proceed quickly if grant funds become available.

Council members strongly praised staff for unprecedented progress on transportation projects, highlighted the importance of partnership with the Hayden Urban Renewal Agency, and acknowledged community frustrations during construction while emphasizing long-term benefits. They also discussed future projects, including right-of-way acquisition timelines for Government Way intersections at Dakota and Wyoming.

7. REPORTS

A. City Administrator Report and Calendar Review

Mayor Davis confirmed a quorum for an upcoming special meeting on September 1 at 3 p.m., with all council members except Council Member Shafer's able to attend. He also announced new opportunities for student commissioners and reminded the public about the Arts Commission's Youth Theater Workshop, with registration closing August 31 for the September 12 event.

Ms. Ailport invited Finance Director Jennifer Gahringer to give a monthly financial update. Ms. Gahringer explained that fund balance and spending reports are now provided each month and asked if council wanted any changes. Council members said the reports are helpful and clear, though Council Member Roetter requested adding percentages comparing year-to-date figures to budget totals for easier anomaly spotting. Staff also discussed timing issues that can cause apparent mismatches between budgeted and actual numbers. Council Member Shafer raised a separate question about the Bills for Payment report, asking whether clearer invoice descriptions could reduce his need to email staff; the finance team agreed to improve descriptions where possible.

Under upcoming events, staff noted that summer movies and concerts are finished, and preparations are underway for Veterans Day and Hayden Lights events. The Art Showcase is scheduled for September 12. Council asked about a mistaken calendar entry showing the Public Safety Commission meeting on September 1; staff clarified it has been moved to September 8.

B. Law Enforcement

Heard before Item 3A.

Kootenai County Sheriff Office Lt. Mark Ellis reported that animal-related calls continue to be the leading category in Hayden, with most involving animal noise complaints. Patrol has increased proactive activity, including more citizen contacts and checks on suspicious individuals. Theft cases, primarily retail thefts from stores like Walmart and Super One, have risen compared to previous years, with some residential thefts and two auto burglaries noted for June. The June report is the latest available due to staffing shortages that delayed reporting.

Council members asked for clarification on residential burglary numbers, animal call handling, and year-to-date figures for assaults and rapes. Lt. Ellis explained that rape cases were not stranger assaults but typically involved acquaintances or age-related circumstances. Assaults often stem from domestic incidents, loss-prevention encounters, or increasing road-rage events.

When asked about safety, Lt. Ellis stated that Hayden remains a safe community, with minimal gang activity and mainly outside influence. He credited deputies' proactive patrols and enforceable state laws for maintaining community safety.

C. Mayor/Council

Council members shared updates from their various boards and committees. Council Member Roetter reported on the Hayden Area Regional Sewer Board meeting, where members discussed remaining residential sewer-capacity availability, currently 303 hookups, and noted that the board will soon issue a formal statement to guide developers and agencies on future capacity expectations.

Council President DePriest requested future information, including a comparison of Hayden's levy rate with neighboring jurisdictions once rates are finalized. He also asked for links to Commissioner Mattare's white paper and the Association of Idaho Cities' response to be added to the city website for public access.

Council Member Shafer reported from the Kootenai Metropolitan Planning Organization board, noting that regional transportation planning is becoming more challenging due to rapid development on the Rathdrum Prairie. KMPO's work plan warns that rising land costs threaten long-identified future travel corridors and that additional funding will be needed as the NEPA environmental review continues.

Council Member Erickson had no PAC updates yet, with their next meeting upcoming.

8. REQUEST FOR FUTURE AGENDA ITEMS

Mayor Davis confirmed there were no new requests for future agenda items.

9. ADJOURNMENT

The meeting was adjourned at 6:40 p.m.

Abbi Sanchez, City Clerk

Alan Davis, Mayor