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

Tuesday, September 22, 2026

Regular Meeting: 5:00 PM
Hayden City Hall Council Chambers, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER
Mayor Davis called the meeting to order at 5:00 p.m.

ROLL CALL OF COUNCIL MEMBERS
Present: Ed DePriest, David Erickson, Matthew Roetter, **Absent:** Tom Shafer.

PLEDGE OF ALLEGIANCE
Mayor Davis asked Abbi Sanchez to lead the pledge of allegiance.

ADDITIONS OR CORRECTIONS
None

1. **PROCLAMATION**
   A. Constitution Week

   Mayor Davis proclaimed September 17-23, 2026, Constitution Week in the City of Hayden.

2. **CONSENT CALENDAR** ***All items on the Consent Calendar are Action Items***
   A. Approval of September 1, 2026 Special City Council Meeting Minutes
   B. Approval of September 8, 2026 Special City Council Meeting Minutes
   C. Approval of September 8, 2026 City Council Meeting Minutes
   D. Approval of Cody Small Appointment to the Arts Commission
   E. Approval of Amendment No. 1 to the Right of Way Contract with Property Owner of 8675 North Ramsey Road to Release the City from the Obligation of Tree Removal
   F. Approval of Amendment No.3 to the Professional Services Agreement with Welch Comer & Associates to Authorize Additional Construction Administration for the Ramsey Road and Honeysuckle Avenue Roundabout Project
   G. Approval of Fiscal Year 2027 Prosecution Services Agreement with the City of Post Falls
   H. Approval of General Construction Agreement with Avista Utilities for the Hayden Avenue and Ramsey Road Spanwire Traffic Signal Project.
   I. Approval of the General Construction Agreement with Avista Utilities for the Honeysuckle and Ramsey Roundabout Project
   J. Approval of Independent Contractor Agreement with Interstate Electrical Company
   K. Approval of Reimbursement Agreement with Hayden Urban Renewal Agency for up to $12,500 for the Come Together Benches
   L. Approval of Project Funding Agreement with the Hayden Urban Renewal Agency for Civic Center Master Plan
   M. Approval of the Veterans Commission's Guest Speaker Recommendation for the 2026 Veterans Day Ceremony
   N. Approval of the Fiscal Year 2026 Audit Engagement Letter
   O. Approval of the Contract Change Order No.4 for the Honeysuckle and Ramsey Roundabout Project
   P. Approval of Bills for Payment

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

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

The motion was approved by a unanimous vote in favor of the members present.

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

Mysty Rusk, introduced herself as the new Executive Director of the Coeur d'Alene Area Economic Development Corporation. She acknowledged that the organization had previously lost the Council's trust and expressed her desire to rebuild that relationship. She offered to meet individually with council members and return at a later date with a formal presentation to the Council.

Ms. Rusk explained she has been in the role for about 32 days and is currently in a listening and assessment phase, meeting with board members and community leaders. Her early priorities center on business retention, particularly supporting existing local companies with 10–20 employees. She emphasized a focus on creating and sustaining jobs that support the local tax base and provide a living wage.

She outlined the organization's developing framework for "balanced economic development," including identifying a local living wage (estimated at $51–$55/hour, or roughly $90,000 annually) based on the ability for a small household to afford median housing and cover expenses without public assistance.

Ms. Rusk stressed the importance of helping existing local businesses grow rather than pursuing large external developments. Her overarching goal is to strengthen the regional economy by increasing the overall tax base without increasing the burden on residents.

Council members welcomed her and expressed openness to meetings, noting they had provided guidance to her predecessor that had not been implemented. Ms. Rusk distributed business cards and reiterated her openness to input.

4. COMMISSION REPORT

A. Historic Preservation Commission

Historic Preservation Commission Chair Judy Eichelberger updated the Council on the Historic Preservation Commission's activities since February, highlighting recent events, collaborations, and ongoing projects. She reported that in May the Commission presented the second annual Hayden Award to The Armory on Government Way, a 1915 building whose history they continue to document, and noted that planning for the 2027 award is already underway. During Hayden Days in July, the Commission gathered community input on which historic structures best represent Hayden, with the Hansen Home and Birdy's Pie Shop receiving the most support. In August, the Commission met jointly with the Parks and Recreation Commission to coordinate efforts around identifying historically significant sites for interpretive signage along local trails. Ms. Eichelberger also noted that a previously planned storytelling collaboration with Hayden Canyon Charter is on hold due to administrative changes, though they hope to revisit the idea. She expressed enthusiasm for the Commission's involvement in the Stoddard Barn reuse master plan and thanked city staff for assisting with sales of their book, *Ordinary Lives, Extraordinary People*. Nearly all 300 printed copies have sold, with five reserved for

local elementary schools and proceeds funding a second volume. She concluded by inviting questions from the Council.

5. UNFINISHED BUSINESS

A. *ACTION ITEM* Consideration of 2026 Memorandum of Understanding with Specialized Needs Recreation

Council reviewed the proposed 2026 Memorandum of Understanding with Special Needs Recreation. Members recalled that at a previous meeting they had agreed to increase the City's financial support for the organization, contingent on establishing a more formal agreement outlining expectations. The item presented simply formalizes that arrangement.

MOTION: Council Member Roetter moved to approve the Memorandum of Understanding with Specialized Needs Recreation. Council Member Erickson provided the second.

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

The motion was approved by a unanimous vote in favor of the members present.

6. NEW BUSINESS

A. Sewer Capitalization Fee Study Presentation

Angie Sanchez-Virnoche, Principal of FCS, Inc., presented the updated sewer collection capitalization fee study, noting the City's last update was completed in 2019. She explained that capitalization fees are one-time charges for new users connecting to the sewer system and must be based solely on the value of existing, in-use infrastructure according to Idaho Supreme Court methodology.

The study calculated the gross present-day replacement value of the system at approximately $133.1 million, then deducted outstanding bond principal of $9.6 million and unfunded depreciation of $21.5 million to arrive at a net system replacement value of about $102 million. J-U-B Engineers provided updated system capacity figures, reflecting the addition of the H-6 sewer basin infrastructure and resulting in a capacity of 15,646 equivalent residential units, an increase of 4,452 units since the last study.

Using these inputs, the maximum allowable capitalization fee was calculated at $6,522 per ERU, compared to the current fee of $5,244, which has remained unchanged since 2019.

Council members asked clarifying questions regarding methodology, update frequency, and distinctions between treatment and collection fees. Staff explained that a higher preliminary estimate had already been published for the upcoming fee hearing, but the City may legally adopt a lower amount.

The presentation was informational only, with Council agreeing to accept the report and proceed to consider the updated fee during the public hearing scheduled for September 29th.

B. *ACTION ITEM* Consider Adopting Resolution for Amended City of Hayden Financial Policy

Council reviewed an action item to adopt a revised financial policy that consolidates two previous resolutions and adds a new section establishing reserve minimums. Staff explained that the update also formalizes a debt guideline policy and an investment policy, which had not previously been codified. The revised document removes procedural details to keep the policy focused on guidance rather than departmental processes. During discussion, Council Member Roetter raised concern that the investment policy appeared to give authority solely to the Chief Financial Officer; staff clarified that all investments still require prior Council approval. Periodic investment reports were requested, such as quarterly updates, to help track amounts and returns, and staff agreed to provide that information outside of the policy. It was also noted that the policy explicitly states all investment transactions must receive formal Council approval. With questions addressed, the Council expressed support for adopting the amended financial policy.

MOTION: Council President DePriest moved to approve the resolution adopting the City of Hayden Financial Policy. Council Member Roetter provided the second.

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

The motion was approved by a unanimous vote in favor of the members present.

C. *ACTION ITEM* Consider Adding a Senior Permit Technician to the Kinds and Levels Chart

Council considered adding a Senior Permit Technician position to the City's kinds and levels chart. Staff explained that this change had already been anticipated and budgeted during the most recent budget approval process. A wage study was conducted to determine appropriate placement, and based on the findings, the position would move from Level 5 (Permit Technician) to Level 7, consistent with how other "senior" classifications are structured within the City. The adjustment aligns with standard two-step progressions used in similar roles such as inspectors and public works positions.

Council had no questions or concerns and expressed agreement with the proposed change.

MOTION: Council Member Erickson moved to approve adding the position as proposed. Council President DePriest provided the second.

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

The motion was approved by a unanimous vote in favor of the members present.

D. *ACTION ITEM* Consider Fiscal Year 2027 Law Enforcement Contract with Kootenai County

Council held an extensive discussion regarding the county's proposed law enforcement contract, which was received only a week before the current contract expires despite repeated requests dating back to April. Staff clarified that the delay originated with the county and that Hayden had actively attempted to secure the

contract earlier.

Council members expressed a range of concerns centered on the county's ability to provide timely data, clarify cost calculations, and account for new contract components such as overtime charges. Several members noted that the city has been seeking more detailed operational and financial information for multiple years without satisfactory resolution, which complicates evaluating whether contract costs align with the services provided. References were made to preliminary findings from the Matrix study indicating Hayden's low crime rate, the city's emphasis on traffic and ordinance-related concerns, and questions about how deputy time is allocated.

Some council members raised broader concerns about fiscal transparency, data tracking, and future implications of policy proposals being discussed at the county level. Others highlighted the importance of maintaining public safety coverage and the need to understand the full implications of not adopting a contract before making a final decision. It was acknowledged that if the contract is not approved, statutory law enforcement services would still be provided, though enhanced services could be affected. Council also recognized that any long-term changes, such as alternative enforcement options, would require further analysis, stakeholder input, and consideration of the upcoming final Matrix report.

Given the limited time to review the contract, unresolved questions, and the absence of all council members, the group expressed reluctance to approve the contract that evening. They agreed that next-step discussions should occur in a future workshop or through the Public Safety Commission, as the only action item before them was whether to approve or decline the contract as presented.

Council Member Shafer's comments will be attached to the minutes for the record.

MOTION: Council President DePriest moved to deny the proposed Fiscal Year 2027 Agreement with Kootenai County for Law Enforcement Services. Council Member Roetter provided the second.

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

The motion was approved by a unanimous vote in favor of the members present.

7. REPORTS

A. City Administrator Report and Calendar Review

City Administrator Lisa Ailport informed Council of a special meeting scheduled for Tuesday at 5:00 p.m., which will include a public hearing and consideration of a resolution for fee increases. The meeting will also include a workshop on proposed Title 11 and Title 12 code amendments that were previously emailed to Council, with planning and zoning discussions available for review. Additionally, the Public Safety Commission will meet Monday at 1:00 p.m. to review the draft Matrix Consulting Law Enforcement Services Strategic Planning Study report; while the commission may or may not be ready to make a recommendation, the item will be included on Tuesday's agenda to meet noticing requirements. Council would be asked to accept the draft report, with any necessary revisions incorporated before a final version is produced. Council may also consider whether to hold a public open

house after receiving the report. Ms. Ailport further noted that Kootenai Metropolitan Organization (KMPO) is requesting a letter from the City regarding the Rathdrum Prairie PEL study, and Council will revisit this topic at the Tuesday meeting to determine the City's position and whether the letter should return for Council review before submission. No additional updates were presented.

B. Law Enforcement

Kootenai County Sheriff Office Lt. Sifford presented the monthly law enforcement report and addressed earlier comments from Council. He expressed appreciation for the support shown toward deputies and emphasized the importance of clear, accurate communication, noting that some statements made during the meeting could create misunderstandings if repeated publicly. He explained that while the Sheriff's Office can track deputies' time, the challenge lies in producing a report that definitively shows when deputies remain inside Hayden versus when they leave the city for calls in nearby areas. He reiterated that Hayden's assigned deputies are dedicated to the city but will occasionally respond outside city limits when they are the closest available units. He also noted that contract negotiations are now managed by the Board of County Commissioners rather than the Sheriff's Office, which adds complexity to reporting requirements.

Lt. Sifford reviewed recent crime trends, highlighting increases in reported rapes (primarily involving known parties rather than stranger incidents), a spike in thefts driven by a traveling burglary group operating across multiple states, and elevated vandalism incidents without a clear pattern. He explained common call categories, such as citizen assists, welfare checks, and traffic collisions, and attributed higher numbers of accidents in part to ongoing construction and congestion.

Council members asked clarifying questions about theft locations, workload data referenced in the Matrix Consulting Law Enforcement Services Strategic Planning study, and how deputies account for their time. The representative acknowledged the need to review the consultant's findings and to evaluate whether procedural changes may be needed to better document deputies' activities. He closed by reaffirming the department's commitment to transparency and service to the community.

C. Mayor/Council

Council Member Erickson noted attending a Panhandle Area Council meeting, via Zoom, with no significant items to report.

Council Member Roetter reported that the Hayden Area Regional Sewer Board (HARSB) will be voting on its final 2027 budget next week, noting that although approval is required, the City has formally entered a protest regarding an addendum submitted by the Hayden Lake Sewer District. Council President DePriest who also attended the HARSB meeting added that approximately 277 residential sewer hookups remain before capacity is reached and described challenges during the budget meeting, including the Sewer District's opposition to including the City's "under protest" statement in the public record. He expressed concern about this dynamic but emphasized the need for HARSB to adopt its budget so operations can continue.

8. REQUEST FOR FUTURE AGENDA ITEMS

None were requested.

Mayor Davis recessed the meeting for a break from 6:42 - 6:54 p.m.

9. EXECUTIVE SESSION *ACTION ITEM* *(Action will be taken to enter and exit Executive Session. No action will be taken during the Executive Session)*

A. Idaho Code 74-206(1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

MOTION: Council President DePriest moved for the meeting to enter executive session under Idaho Code 74-206(1)(f). Council Member Roetter provided the second.

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

The motion was approved by a unanimous vote in favor of the members present and the meeting entered executive session at 6:54 p.m.

MOTION: Council Member Erickson moved for the meeting to exit the executive session Council Member Roetter provided the second.

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

The motion was approved by a unanimous vote in favor of the members present and the meeting exited the executive session at 8:20 p.m.

10. ADJOURNMENT

The meeting was adjourned at 8:20 p.m.

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Abbi Sanchez, City Clerk

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Alan Davis, Mayor

Outlook

FW: Councilman Shafer Comments for Deliberation RE County FY27 Contract_092226

From Lisa Ailport <lailport@haydenid.gov>
Date Tue 9/22/2026 11:58 AM
To Alan Davis <adavis@haydenid.gov>; Fonda Jovick <fjovick@lclattorneys.com>
Cc Abbi Sanchez <asanchez@haydenid.gov>

Council Members (Bcc'd): The following is submitted to the council members via Councilmember Tom Shafer, who will not be able to attend the council meeting this evening. If you have any questions, please reach out.

Fellow council members,

I want to acknowledge first and foremost, that I do believe we all share a common desire to ensure that the City of Hayden receives the best law enforcement services with the least tax burden on our constituents. That is our goal. How we may differ is the vision each of us has to achieve it.

Let me also acknowledge that I recognize that the county board of commissioners has not collaborated well with Hayden in establishing a law enforcement contract. In deference to their conduct, I believe they are motivated to reign in their budget shortfalls, and also reduce the tax burden on their constituents. But they seem to be doing this without nurturing a partnership with the city of Hayden.

I read Commissioner Matare's white paper and proposed changes in state statute. And then I observed how the AIC discredited many of his policy proposals. We should keep this in mind.

The county very belatedly came back to Hayden with a FY 27 contract proposal that meets our cost goal, but further reduces the number of patrol deputies. And there is no substantive change in reporting over what has been provided previously. Yet, our consultant, and AIC, even the BOC, recognizes that accurate tracking and reporting is still woefully lacking.

Regardless, I still suggest that my fellow councilmen exercise restraint. It is not yet time to make a substantial change in the law enforcement vision for Hayden. That day may come soon, but not yet. I remind you all that Hayden has spent $100-thousand dollars of taxpayer money to hire an objective and independent third party with bonafides and credentials NONE of us have, to assess our current and future law enforcement needs, and provide a framework for how to achieve that. I note in their preliminary report to council, they have assessed that current law enforcement services from the county sheriff appear to be too proactive, and we could deliver adequate service with less patrol deputies. But they also pointed out that behind the cost of patrol deputies, there is another substantial layer of cost for management, administrative and support personnel. What that looks like for Hayden will be further and more clearly defined in the final report. We have paid for this study and consultation. We need to wait for the final product before acting. Otherwise, we risk doing a great disservice to our constituents.

I anticipate that someone will suggest that we engage with one of the other municipalities in Kootenai County for law enforcement services, and sever or reduce ties with the county sheriff. But we know that at best, this is a temporary measure, and will force our hand to start our own police force. While some of us may want this, I ask rhetorically what if the law enforcement study says that a city police force for Hayden is too expensive? Do we go groveling back to the

county? Who holds the cards then? Or do we endeavor to run a hybrid model? I think it is unwise to serve two masters.

This is an emotional matter. I can observe that our county partners have not worked collaboratively with us, which has given good cause for disappointment. But making decisions rooted in emotions, void of objective data, is also not acting in good faith to our constituents. I suggest that we accept the current county contract proposal, or maybe go month-to-month, while we wait out the results of the Hayden Law Enforcement study.

Respectfully, Councilman Shafer