

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

Tuesday, January 13, 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 PM.

ROLL CALL OF COUNCIL MEMBERS

Present: Ed DePriest, Matthew Roetter, Tom Shafer, Sandra White

PLEDGE OF ALLEGIANCE

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

ADDITIONS OR CORRECTIONS

None

1. CONSENT CALENDAR *All items on the Consent Calendar are Action Items*

- A. Approval of December 9, 2025 City Council Meeting Minutes
- B. Approval of December 19, 2025 City Council Meeting Minutes
- C. Approval to Apply and Authorize Matching Fund Allocation for the State of Idaho Waterways Improvement Fund Grant for Improvements to Honeysuckle Beach and Boat Launch
- D. Approval of Aviation 1st Addition Consolidation Plat
- E. Approval of 2026 The Peak Health & Wellness Center Contractual Services Agreement
- F. Approval of Lake City Law Engagement Letter for Civil Legal Services
- G. Approval of Welch Comer's Hayden Avenue and Huetter Road Intersection Amendment 1
- H. Ratification of December Payroll
- I. Approval of Ratification of Bills Paid
- J. Approval for Bills for Payment

Council President Roetter received clarification from Legal Counsel Fonda Jovick that the increase in hourly rate for civil legal services is the first increase in the last six years. It will increase from the current \$225 per hour to \$280 per hour. Ms. Jovick noted that this rate is significantly lower than the market rate.

MOTION: Council Member White motioned to approve the consent calendar as presented. Council Member Shafer provided the second.

ROLL CALL VOTE:

Council President Roetter	Yes
Council Member DePriest	Yes
Council Member Shafer	Yes
Council Member White	Yes

The motion was approved by a unanimous vote in favor.

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

None

Mayor Davis held a moment of silence for the passing of former City Council Member Roger Saterfiel.

Mayor Davis used a brief analogy referencing the NFL playoffs to emphasize community unity, noting that despite differing viewpoints, all residents are part of one Hayden community. Attendees were acknowledged for recognizing a departing council member, supporting a reelected member, and welcoming a new council member. Mayor Davis affirmed the shared goal of maintaining a strong and welcoming city and presented recognition to Council Member White for her service on the Hayden City Council.

3. OATH OF OFFICE

A. Ed DePriest, City Council Seat 2

B. David Erickson, City Council Seat 4

City Clerk Abbi Sanchez administered the Oath of Office to the elected city council members.

Mayor Davis recessed the meeting at 5:38 p.m.

Council Member White left the meeting.

Council Member Erickson joined the meeting.

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

A. **ACTION ITEM** PZE-25-0102 Arts (King Sod) Zone Map Amendment Request

Council Member Erickson recused himself from the hearing due to this application being heard by the Planning and Zoning Commission while he was a member.

After reading the procedures for an applicant initiated public hearing, Mayor Davis opened the hearing at 5:15 p.m.

STAFF INTRODUCTION: Community Development Director Donna Phillips introduced the Arts/King Sod zone map amendment, noting the City's naming convention uses the property owner's name while the business on site is King Sod. She explained that the property was annexed in 1991 by Ordinance 204 and zoned Agricultural. The site is located north of the Spokane International Railroad line, south of East Lancaster Road, and east of North Huetter Road. She noted the applicant previously entered into a deferred development agreement due to the Lancaster and Huetter roundabout being under design and construction, delaying frontage improvements. The remaining frontage improvements are required as part of off-site infrastructure. Ms. Phillips described the parcel as a triangular property bordered by roads and railroad tracks. In response to a council question, she clarified that City limits are to the south, with Kootenai County to the north and Rathdrum to the west. She concluded by introducing the applicants to present their application.

APPLICANT: Justin Arts and Wilson McWain presented the request to rezone the King Sod property from Agricultural to Light Industrial. They stated the request supports economic development, aligns with the Future Land Use Map, and promotes responsible growth in the area. They explained that the current Agricultural zoning no longer reflects surrounding development trends, as the area is transitioning to commercial and light industrial uses.

The applicants noted that Light Industrial zoning encourages clean, low-impact uses and that they have worked with City staff to address buffers, traffic mitigation, and stormwater controls through surveys and studies. They stated the request is consistent with the Comprehensive Plan, which designates the site for Light Industrial, and supports economic diversification and efficient use of infrastructure.

They explained that the Light Industrial zone is intended for low-impact employment uses and does not involve heavy manufacturing. The property's size, location, and surrounding zoning make it suitable for Light Industrial use, and the site has been planned and engineered with that zoning in mind. They also stated the zoning change would be compatible with emerging neighborhood conditions and provide appropriate buffering between differing land uses.

The applicants concluded that the request meets approval standards, supports logical and compatible growth, and benefits the public through responsible economic development, and they requested approval of the zone map amendment.

Council Questions and Responses:

In response to a question regarding how the property fits their business model, the applicants explained that sod is not grown on-site and that the location would be used for customer pickup, truck loading, and deliveries, consistent with their existing operation footprint.

Regarding an adjacent parcel owned by Missouri Improvement Company, the applicants stated they do not own or control that property, were not involved in its sale, and are unfamiliar with the current owner's plans.

In response to a question about the potential Huetter Bypass, the applicants stated they are aware of the long-discussed project and have considered its potential impacts. They indicated that if the bypass affected the property, they could relocate their operations if necessary. They also stated that the bypass could be beneficial by increasing visibility and traffic near their business.

STAFF: Ms. Phillips summarized the staff analysis and reviewed the five standards of approval for the zone map amendment. Staff and the Planning and Zoning Commission determined that no additional studies, plans, or conditions were necessary.

Ms. Phillips explained that the application was reviewed under the prior Comprehensive Plan, as it was submitted before adoption of the updated plan. Under that plan, the subject property is designated for Light Industrial future land use. She stated the request is consistent with applicable Comprehensive Plan goals and policies, including development within city limits, balanced commercial development along transportation corridors, protection of adjacent land uses, adequate public facilities, and support for employment opportunities.

She reviewed consistency with zone district purpose and intent, noting that Agricultural zoning is intended for farming uses, while Light Industrial zoning allows for clean, low-impact manufacturing, processing, distribution, and wholesale uses.

Staff reviewed site infrastructure and neighborhood context, noting the site is served by a private well and a septic system approved by Panhandle Health District, with

utilities and access approved through the Lancaster and Huetter intersection project. Surrounding uses include the HARSB land application site to the north, the Spokane International Railroad to the south, and farmland and residential agricultural uses nearby. The site is not within airport runway protection zones.

Staff reported that agency notices were sent with minimal comments received, and that the Planning and Zoning Commission recommended approval of the zone change at its November 14 meeting.

COUNCIL QUESTIONS:

Council President Roetter asked about septic system approval on a 1.73-acre lot, given county five-acre standards for residential septic systems over the aquifer. Staff explained that Panhandle Health District has jurisdiction over septic approvals and determined the site met their requirements, and that no sanitary sewer service is currently available. Staff confirmed that Panhandle Health District's approval governs in this case.

PUBLIC COMMENTS: None

APPLICANT REBUTTAL: Mr. Arts addressed concerns regarding the lot size being smaller than five acres for septic approval. He explained that the 1.73-acre parcel was created prior to adoption of the five-acre requirement and is therefore considered a legal, grandfathered lot. As a result, Panhandle Health District was able to approve the septic system under existing regulations.

Mayor Davis closed the public hearing.

MOTION: Council Member DePriest motioned approve PZE-25-0102 Arts/King Sod zone map amendment request finding the request is in accordance with the standards of Hayden city code based upon testimony received at the planning and zoning commission and city council public hearing and the record of the request. Council President Roetter provided the second. Council President Roetter provided the second.

DISCUSSION ON MOTION:

Council President Roetter noted that rezoning to Light Industrial would increase property tax revenue for the City due to expected site improvements. Council Member Shafer observed that, despite the lot's small size, its unique shape and location make it well-suited for a business node, aligning appropriately with the future neighborhood context and supporting the proposed zoning revision.

ROLL CALL VOTE:

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

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

**B. ACTION ITEM PZE-24-0133 North Government Way & Bielec Enterprises
Annexation Request**

After reading the procedure for a city initiated public hearing, Mayor Davis opened the hearing at 5:39 p.m.

STAFF: Community Development Director Donna Phillips presented the annexation request for properties along North Government Way, including a vacant parcel and three Bielec Enterprises properties. The request originated after Lakes Highway District, which owns the roadway, respectfully asked the city to annex the property if a proposed project moved forward. The city then contacted neighboring property owners to the west to see if they would also consider annexation, and Bielec Enterprises agreed. At the time of initiation, all properties were within the city's exclusive area of impact, intended for future annexation, and they remain within the updated area of impact following coordination with Kootenai County.

The Bielec properties are requesting commercial zoning, which staff determined meets all standards of approval, aligns with both the old and new future land use maps, conforms to the Hayden Comprehensive Plan, complies with the zone district's purpose and intent, and is consistent with the neighborhood context.

Agency notices were sent to 18–20 entities, most of which provided no comments; support letters were received from Lakes Highway District and North Kootenai Water District (water service only), while Coeur d' Alene Airport requested a navigation easement as a condition of annexation. Public support was expressed by adjacent landowners. The Planning and Zoning recommended approval with conditions, including entering into an annexation agreement, compliance with fire protection and city transportation requirements, extension and connection to city sewer within one year of availability, and recording of the navigation easement.

Additional clarifications confirmed that North Kootenai Water District provides water only, the properties currently use septic systems, and some neighboring properties declined annexation due to lack of sewer service and different access points.

PUBLIC COMMENTS: None

Mayor Davis closed the hearing at 5:54 p.m.

COUNCIL DELIBERATIONS:

Council Members expressed general support for the annexation request. Council Member Shafer noted curiosity about why two neighboring lots declined annexation but found the proposal straightforward, given the adjacent light industrial uses, and raised no objections.

Council Members agreed that the application had met all standards of approval, as presented by Donna Phillips, and highlighted that the annexation would bring commercial tax revenue, modestly shifting the tax burden from residential to commercial. Council Member Erickson emphasized that the proposed properties are contiguous, align with the existing zone map, and present no conflicts, while Council President Roetter confirmed that the Planning and Zoning Commission recommended approval and that all standards of review and findings for a zone map amendment had been fulfilled. Overall, the council indicated consensus that the annexation request was reasonable and appropriate.

MOTION: Council Member Erickson moved to approve PZE-24-0133 North Government Way and Bielec Enterprises LLC annexation request with a zone designation of commercial with staff recommended conditions of approval finding the request is in accordance with the standards of Hayden City Code based upon

testimony received at the city council public hearing and the record of the request. Council Member DePriest provided the second.

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

The motion was approved by a unanimous vote in favor.

5. NEW BUSINESS

A. **ACTION ITEM** Election of Council President

MOTION: Council President Roetter nominated Council Member DePriest to serve as Council President. Council Member Erickson provided the second.

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

The motion was approved by a unanimous vote in favor.

B. **ACTION ITEM** Consider Sewer Collection System Capitalization Fee Study with FCS

The Council considered a proposal to engage FCS to conduct a sewer collection system capitalization fee study. City Administrator Lisa Ailport noted that the city has made several improvements to the system since the last study, including the recent installation of the H-6 sewer basin infrastructure. The study will establish a defensible connection fee based on the system's costs divided by the number of supporting connections, ensuring the fee is legally defensible if challenged. FCS previously conducted the city's last fee study following the NIBCA v. City of Hayden court case and is familiar with the system. The contract is not to exceed \$18,530 without prior Council approval. Council confirmed that funding was budgeted for the study in anticipation of the recent system improvements.

MOTION: Council Member Roetter moved to approve the agreement with FCS for the sewer collection system capitalization fee study. 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.

C. **ACTION ITEM** J-U-B Engineers, Inc. Authorization for Contract Amendment for Sewer Capitalization Fee Support Services

The Council considered a contract amendment with J-U-B Engineers, Inc. not to exceed \$27,000 to update the city's sewer GIS data and incorporate system changes

since the last update in 2019. Staff noted that over 30 projects and developments have occurred since then, and the updates are necessary to support the upcoming sewer capitalization fee study by FCS. The work includes upgrading the GIS software, mapping all pipes, manholes, and lift stations, and integrating information on size, age, location, and maintenance history into a model for both operational use and fee calculations. Council members discussed the scope and cost, confirming that staff do not have the expertise or capacity to perform the work in-house and that hiring an independent expert is critical to ensure defensible and legally defensible fee calculations, avoiding potential litigation like the prior NIBCA v. City of Hayden case. The update is consistent with the city's typical five-year sewer master plan schedule and is considered a necessary investment for accurate fee-setting and long-term system management.

MOTION: Council Member Shafer moved to approve the authorization for contract amendment for J-U-B Engineers sewer capitalization fee support services. Council President DePriest provided the second.

ROLL CALL VOTE:

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

The motion was approved by a unanimous vote in favor.

D. **ACTION ITEM** Agreement with Wake Media, LLC for Communications and Information Technology Support

The Council considered a contract with Wake Media not to exceed \$5,000 to provide IT, communication, and support services on an as-needed basis. The contract is not budgeted but would be funded from the city's fund balance. The services include developing programs and materials to support city initiatives, such as interactive maps for the Veterans Memorial honoring fallen military members, similar to prior work performed by a different vendor. While the company is new, the services provided are consistent with previously contracted work, and the cost is considered minimal and manageable.

MOTION: Council Member Shafer moved to approve the agreement with Wake Media, LLC. Council Member Roetter provided the second.

ROLL CALL VOTE:

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

The motion was approved by a unanimous vote in favor.

6. REPORTS

A. City Administrator Report and Calendar Review

i. 2025 Year in Review

City Administrator Lisa Ailport provided the Council with a 2025 year-end review, highlighting accomplishments across city departments and setting the stage for priorities in 2026. Key achievements included the transition to a cloud-based

financial system, completion of multiple fiscal audits, work on developing a comprehensive financial policy and reserve policy, and the provision of detailed fund balance information. In recreation, participation remained strong, with over 5,000 participants in youth and special interest programs and increased facility use. Community development saw completion of the five-year comprehensive plan update, management of new construction and subdivisions, and active code enforcement. Public works completed significant projects, including securing land and buildings from the Lakes Highway District, street maintenance improvements, and the \$20 million H-6 sewer basin project in partnership with developers. Parks and facilities initiatives, including McIntire Park master planning and waterways improvements, were highlighted as priorities for 2026. Ms. Ailport also noted ongoing strategic planning in law enforcement, transportation, and impact fee updates, emphasizing continued evaluation of resources, staffing, and space needs to support the city's operations.

B. Mayor/Council

Council discussed board assignments for the upcoming term. Members expressed a preference to continue their current roles, with no immediate changes proposed. Discussion of potential changes to the airport board and other assignments will be discussed at a future meeting.

7. REQUEST FOR FUTURE AGENDA ITEMS

Council member DePriest raised a potential future discussion on allowing elected officials to use city hall chambers for town hall meetings, noting the county permits similar use of its building. Legal Counsel Fonda Jovick clarified that any opinion on the appropriateness of such use would be attorney-client privileged and could only be shared publicly by council vote.

Additionally, a discussion was proposed regarding creating a high-level overview of city studies, engineering projects, and master plans, including timelines and funding sources, to help council members understand ongoing and upcoming initiatives. Staff will explore providing summary-level information on active projects and funding without overburdening staff.

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

ROLL CALL VOTE:

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

The motion was approved by a unanimous vote in favor.

Mayor Davis recessed the meeting at 7:07 p.m.

Mayor Davis called the meeting back to order at 7:15 p.m.

The meeting entered executive session at 7:15 p.m.

MOTION: Council President DePriest moved to exit executive session. Council Member Roetter provided the second.

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

The motion was approved by a unanimous vote in favor.

The meeting returned to regular session at 8:06 p.m.

9. NEW BUSINESS

A. **ACTION ITEM** Authorization to Make Offer of Purchase to the Hayden Area Regional Sewer Board

MOTION: Council Member Roetter moved to authorize the offer to purchase the Hayden Area Regional Sewer Board. Council President DePriest provided the second.

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

The motion was approved by a unanimous vote in favor.

10. ADJOURNMENT

The meeting was adjourned at 8:08 p.m.

Abbi Sanchez, City Clerk

Alan Davis, Mayor