



## **CITY COUNCIL MEETING MINUTES**

**May 07, 2025 at 5:30 PM**

**Council Chambers at City Hall - 1123 W. Lake St. Sandpoint, Idaho**

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### **Call to Order**

Mayor Jeremy Grimm called the regular meeting of the Sandpoint City Council to order at 5:30 p.m. on Wednesday, May 7, 2025, in Council chambers at City Hall, 1123 W. Lake St., Sandpoint, Idaho.

### **Roll Call**

#### **PRESENT**

Mayor Jeremy Grimm  
Councilor Deb Ruehle, Council President  
Councilor Joel Aispuro\*  
Councilor Justin Dick  
Councilor Kyle Schreiber  
Councilor Pam Duquette  
Councilor Rick Howarth

\*Councilor Aispuro was absent at roll call, arriving at 6:03 p.m.

As required by the City's adopted Code of Ethics and Civility, as the presiding officer, Mayor Grimm identified law enforcement personnel in the room serving as sergeant-at-arms for the meeting: Sandpoint Police Chief Corey Coon.

### **Pledge of Allegiance**

Mayor Grimm led all present in the Pledge of Allegiance.

### **Announcements and Reports**

Mayor Grimm reported that the agenda was amended to add item #13 under Old Business - Appeal of Denial of McGhee Development Water Service Application - which, during the March 19 regular meeting, Council voted, with the Appellant's concurrence, to postpone this matter to May 7. He explained that this item was inadvertently missed when the agenda was posted and that, because an amendment was made and posted less than 48 hours prior to the meeting, per Idaho Code, the amended agenda could not become effective until Council voted to accept it.

Motion to accept the amendment and proceed with the amended agenda.

Motion made by Councilor Howarth, Seconded by Councilor Dick.

Voting Yea: Councilor Ruehle, Councilor Dick, Councilor Schreiber, Councilor Duquette, Councilor Howarth

Absent: Councilor Aispuro

Mayor Grimm clarified that this matter is not a public hearing but an appeal hearing, which Council first heard in December 2024. He further explained that, following additional information for consideration, the hearing was reopened in January but has been postponed since that time as the City continues to communicate and work with the Appellant on this matter, and the Appellant and City staff have discussed and agree that it would be desirable to further postpone to Council's next regular meeting. With no objection from Council, this item was moved from the end of the agenda and taken up immediately.

### **Old/Unfinished Business**

13. Appeal of Denial of McGhee Development Water Service Application / Re-opening of Hearing and Possible Decision

Motion to postpone the re-opening of the hearing on the appeal of denial of the McGhee Development water service application to City Council's next regular meeting, scheduled for May 21, 2025.

Motion made by Councilor Schreiber, Seconded by Councilor Ruehle.

Voting Yea: Councilor Ruehle, Councilor Dick, Councilor Schreiber, Councilor Duquette, Councilor Howarth

Absent: Councilor Aispuro

Following completion of item #13, Mayor Grimm offered a tribute and remembrance of Helen Newton, former Sandpoint City Clerk and Council member, who passed away on April 25, 2025.

1. Mayor Grimm proclaimed May 11-17, 2025, as National Police Week and May 15 as Peace Officers Memorial Day and additionally read a proclamation celebrating May 3-4, 2025, as National Fallen Firefighters Memorial Weekend, including International Firefighters Day, presenting the proclamations to Police Chief Coon and Fire Chief Gavin Gilcrease, flanked by a number of their officers and firefighters.
2. FY2025 2nd Quarter Financial Report Review (for information only)

No Council questions or comments regarding this item.

Mayor Grimm reported on an email phishing scam that is targeting City of Sandpoint development applicants, encouraging vigilance to closely review and follow up on email messages received to ensure they are legitimate. He provided updates on the downtown parking lot repaving project and the status of federal funding for reconstruction of the wastewater treatment plant. He further remarked on legislation that may impact City tax revenue and announced a special Council meeting/workshop to be held on May 28 regarding James E. Russell Sports Center financials and operations.

Council members provided reports from recent meetings of the citizen advisory boards on which they serve as Council liaison, with appreciation extended for the spring road striping on Pine St. and Fifth Ave. and the downtown flower baskets, which had been recently installed for the season.

At the invitation of the Mayor, Department Directors provided reports on projects and activities in their respective departments. (Councilor Aispuro arrived at 6:03 p.m. during staff reports.)

### **Public Comments**

Mayor Grimm recited the rules and procedure for public comment, followed by an opportunity for comments from the public regarding items on the agenda not related to a hearing, as well as other topics relevant to the business of the City of Sandpoint. Information only; no Council action.

### **Consent Calendar**

Items removed from Consent: Councilor Duquette removed Item 9, Proposed Resolution Approving The Festival at Sandpoint Lease (City Agreement #A25-1970-6), and Councilor Schreiber removed Item 10, Approval of City Comments to Bonner County re: Deerfield Subdivision Application.

Mayor Grimm noted for the record the amount of bills presented for payment approval, and the Consent Calendar, amended with the removal of items 9 and 10, was approved by a majority vote of Council, with Councilor Ruehle dissenting.

Motion made by Councilor Dick, Seconded by Councilor Aispuro.

Voting Yea: Councilor Aispuro, Councilor Dick, Councilor Schreiber, Councilor Duquette, Councilor Howarth

Voting Nay: Councilor Ruehle

3. The Minutes from Council's April 16, 2025, regular meeting were approved as presented.

4. Bills in the total amount of \$1,616,939.50, reflecting \$864,882.23 for regular payables and \$752,057.27 for payroll, were approved for payment.
5. The Monthly Financial Report on Cash and Investment Transactions for February 2025 was reviewed and accepted.
6. The Monthly Financial Report on Cash and Investment Transactions for March 2025 was reviewed and accepted.
7. **Resolution 25-018** Approving Real Property Lease with Welsh Restaurants, Inc. (City Agreement #A25-1970-7)
8. **Resolution 25-019** Approving Sandpoint Lions Club Lease (City Agreement #A25-1600-7)

**New Business** *(created by removal of Items 9 and 10 from the Consent Calendar)*

9. **Resolution 25-020** Approving The Festival at Sandpoint Lease of War Memorial Field (City Agreement #A25-1970-6)

Following remarks from Councilor Duquette, with questions fielded by Veronica Knowlton, Director of Operations for The Festival at Sandpoint, and City of Sandpoint Central Services Director Cheryl Hughes, this resolution was approved by a majority of Council members, with Councilor Duquette dissenting.

Motion made by Councilor Aispuro, Seconded by Councilor Dick.

Voting Yea: Councilor Ruehle, Councilor Aispuro, Councilor Dick, Councilor Schreiber, Councilor Howarth

Voting Nay: Councilor Duquette

**Public Hearing**

11. **Area of Impact Boundary Adjustment**

Community Planning and Development Director Jason Welker gave a presentation on the proposed Area of Impact Boundary Adjustment, with Mayor Grimm also providing information. Director Welker, Mayor Grimm, legal counsel Zachary Jones, Chief Gilcrease, and Chief Coon all fielded questions from the Councilors. Director Welker acknowledged a correction that will be made to the proposed boundary to exclude two properties recently annexed into the City of Dover.

Mayor Grimm recited the rules and procedure for the public hearing and then opened the hearing. No one testified, and the Mayor closed the public hearing.

Motion to approve the adjustments to the Sandpoint Area of Impact as proposed and presented by City staff.

Motion made by Councilor Ruehle, Seconded by Councilor Dick.

Voting Yea: Councilor Ruehle, Councilor Aispuro, Councilor Dick, Councilor Schreiber, Councilor Duquette

Voting Nay: Councilor Howarth

Mayor Grimm called for a brief recess at 7:24 p.m., with the meeting reconvening at 7:29 p.m.

**Old/Unfinished Business - continued**

12. Presentation/Discussion: Draft Parking Management Plan

Director Welker gave a comprehensive report and update on the proposed parking management plan and fielded questions from the Council members, with additional information provided by Mayor Grimm.

Members of the public requested the opportunity to comment on this matter, granted by the Mayor.

Information only; no Council action at this time.

## **New Business - continued**

### 10. City Comments to Bonner County re: Deerfield Subdivision Application

Citing a conflict as the applicant to Bonner County for this development, Councilor Howarth recused himself from this matter and left the dais.

City Planner Bill Dean reviewed his staff report and packet materials with the Council and, along with Mayor Grimm and Mr. Jones, fielded questions. Council approved the comments from the City to Bonner County regarding the Deerfield Subdivision Application, as composed by City staff, with the following amendments:

- a. Include a suggestion for a right-of-way dedication on the corners of Lots 9 and 10 in Block 1 for future connectivity to the south and/or west.
- b. Include a suggestion that any access point included in this development onto the property owned by the City of Sandpoint to the east of this development be constructed from public right-of-way stubbed to the City property.

Motion made by Councilor Schreiber, Seconded by Councilor Duquette.

Voting Yea: Councilor Ruehle, Councilor Aispuro, Councilor Dick, Councilor Schreiber, Councilor Duquette

Abstaining: Councilor Howarth

## **Adjourn**

With no further business on the agenda, the meeting was adjourned at 9:01 p.m.

I presided over this meeting and confirm that the foregoing minutes, prepared by the City Clerk, were approved by City Council during their meeting held \_\_\_\_\_, 2025.

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Jeremy Grimm, Mayor

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Attest: Melissa Ward, City Clerk



## AGENDA REPORT

### Planning & Zoning Commission Meeting

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**TODAY'S DATE:** April 30, 2025  
**MEETING DATE:** May 7, 2025  
**TO:** Mayor Grimm and City Council members  
**FROM:** Jason Welker, Planning & Community Development Director  
**SUBJECT:** Public Hearing - Proposed Update to Sandpoint's Area of Impact

#### INTRODUCTION

The purpose of this staff report is to present to the Sandpoint City Council a proposed update to the City's Area of Impact (AI), formerly referred to as the Area of City Impact (ACI), in accordance with [Idaho State Code Section 67-6526](#). The proposed modification seeks to align the AI boundary with the guidelines set forth in the new state law, which limit such areas to regions that are highly likely to be annexed within five (5) years and generally within two (2) miles of existing city limits.

A public hearing was held during the March 18, 2025, meeting to receive public comment on the proposed changes and for the Commission to deliberate on a recommendation to the City Council regarding adoption of the revised AI boundary. At that hearing, the P&Z Commissioners voted unanimously to recommend to Council that they accept staff's proposed reduction in the Area of Impact Boundary and recommend the updated boundary to the Bonner County Board of Commissioners for adoption.

#### DESCRIPTION/BACKGROUND:

Idaho State Law, Title 67, Chapter 65 establishes the Local Land Use Planning Act, otherwise known as LLUPA, which is the State enabling legislation and requirements for cities and counties to engage in land use planning at the local level. A component of land use planning involves the adoption of a Comprehensive Plan (§67-6508) that includes and plans for the entirety of property within the jurisdiction. Additionally, as established in §67-6526, cities plan for areas outside their jurisdictional boundaries that are anticipated to be annexed for growth and development in the future. These areas are called Areas of Impact (formerly Areas of City Impact) and are proposed by cities and adopted as legislative acts by counties as the counties retain land use planning authority over these areas until such time as annexation occurs. The City of Sandpoint's current Area of City Impact was created by the County on January 2<sup>nd</sup>, 2007. Through the City's recent Comprehensive Planning effort which culminated in the adoption of a new Comprehensive Plan in July of 2024, the City is proposing a reduction to the future annexation area (Area of Impact).

The current Area of City Impact encompasses approximately **12.3 square miles** of unincorporated land adjacent to Sandpoint's city limits. Historically, this area has included large sections of undeveloped foothills and forestry lands, which are unlikely to be annexed in the foreseeable future. Legislative

changes enacted in 2024 require that areas of impact be limited to land that can feasibly be annexed and serviced within five years.

The 2024 Comprehensive Plan recommended reducing the AI to more closely align with the city's growth projections and serviceability, bringing it into compliance with the new state requirements.

### **PROPOSED AREA OF IMPACT**

The revised AI boundary, as illustrated in Map 5 of the 2024 Comprehensive Plan, proposes a substantial reduction in the existing impact area, from its current 12.3 square miles to **3.4 square miles**. The proposed boundary is defined as follows:

- Extends southwest from city limits into vacant agricultural lands east of the slough between Ontario Street and the Pend Oreille River.
- Includes all properties between Sandpoint's western city limits north of Pine Street, incorporating both sides of Upland Drive up to Baldy Mountain Road.
- Follows Upland Drive north to Gooby Road, including properties along Gooby east of Upland.
- Encompasses properties along Mountain View Drive down to Leisure Lane, then north of Goodman to Woodland Drive, extending north to Schweitzer Mountain Road.
- Extends north from Schweitzer Mountain Road to Bronx Road and then east to Sand Creek. Includes all properties south of Bronx Road, east of Sand Creek, and north of City limits, including the neighborhoods of Sweetgrass Lane and Vedelwood Drive.

This proposed AI significantly reduces the footprint of the existing area, eliminating large portions of remote and undeveloped lands that are unlikely to be annexed or developed within the five-year planning horizon. No areas included in the proposed AI are not already in our existing Area of City Impact.



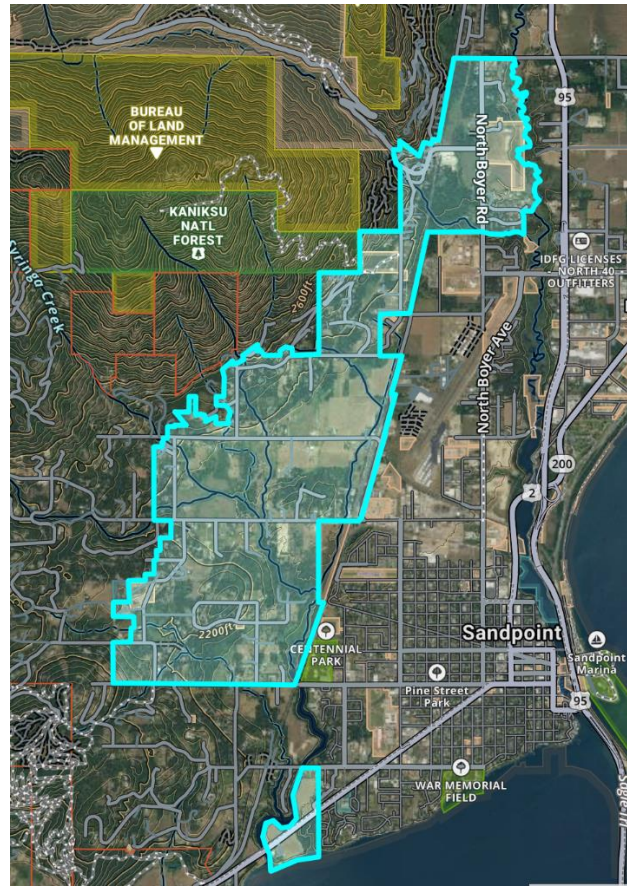
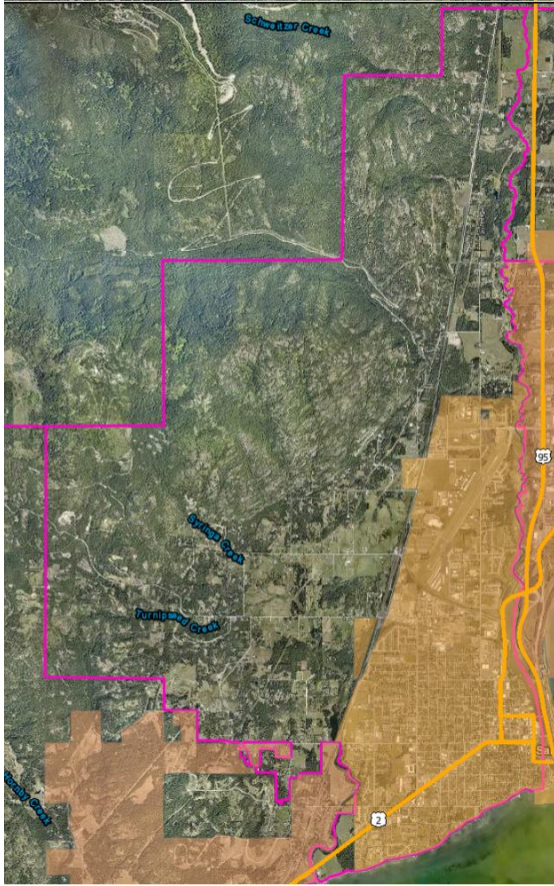


Figure 1: Existing Area of City Impact and Figure 2: Proposed Area of Impact

## COMPLIANCE WITH IDAHO STATE CODE

Idaho State Code Section 67-6526 mandates that an area of impact:

1. Shall not exceed areas very likely to be annexed within the next five (5) years.
2. Shall not extend more than two (2) miles from existing city limits, except under special conditions.

The proposed AI reduction aligns with these statutory requirements by removing lands that are neither feasible nor intended for future annexation by the City of Sandpoint.

## PUBLIC NOTIFICATION AND INPUT

In accordance with state and local regulations, notice of this public hearing was published in the local newspaper on April 22<sup>nd</sup>, 29<sup>th</sup>, and May 6<sup>th</sup>, 2025. The notice was also made available at City Hall and

on the City's website. Property owners and stakeholders were encouraged to submit written comments by March 13, 2025, for inclusion in the meeting packet, with late comments distributed at the hearing.

## OVERLAP WITH CITY OF DOVER

During joint planning meetings with the cities of Dover, Ponderay, and Kootenai, it emerged that Dover intends to include the area southwest of existing Sandpoint City limits, south of Ontario Street and east of the slough, in its own Area of Impact. The two cities' planning teams were unable to reach an agreement regarding which city should incorporate this land into its AI.

Sandpoint asserts that given the contiguous shared border with the City of Sandpoint's Northview subdivision, the ease of extending utilities into the contested area, and the natural geographical barrier created by the slough, the land in question is more logically included in Sandpoint's AI.

Conversely, Dover argues that since they previously extended a sewer pipe over the bridge crossing the slough on Ontario Street, they have the capacity to serve the area with utilities and wish to include it in their AI.

Pursuant to Idaho State Code Section 67-6526, if the cities cannot reach an agreement, any or all involved cities may submit their requests to the board of county commissioners for consideration. Sandpoint Planning staff recommends including the contested area in Sandpoint's proposed AI boundary and allowing the County Commissioners to evaluate the merits of both cities' arguments before determining the appropriate AI designation.

## STAFF RECOMMENDATION:

Planning staff recommends that the Sandpoint City Council approve the proposed update to the Area of Impact (AI) boundary and forward a recommendation to the Bonner County Board of Commissioners for adoption. The proposed AI boundary aligns with Idaho State Code Section 67-6526, ensuring that only areas likely to be annexed within the next five years are included.

Furthermore, given the unresolved boundary overlap with the City of Dover, staff recommends that the contested area be included in Sandpoint's proposed AI boundary and that the County Commissioners be given the opportunity to weigh the merits of both cities' claims before making a final determination. This approach ensures that the AI boundaries are established in a fair and lawful manner, in accordance with state regulations.

Staff further recommends that if the AI modification is approved by the City Council, negotiations with Bonner County proceed promptly to formalize the agreement and incorporate the changes into Sandpoint's planning framework.

## NEXT STEPS

Upon recommendation by City Council, the next step involves negotiation with Bonner County for formal adoption of the new AI boundary. In cases where disagreements exist between cities regarding overlapping AI boundaries, the board of county commissioners will consider the respective requests and determine the final boundary placement per Idaho State Code Section 67-6526(3).

Once approved, the revised AI boundary will be incorporated into Sandpoint's comprehensive planning framework and zoning regulations in coordination with Bonner County.

## ACTION:





Motion to approve, deny, or modify the proposed Area of Impact Boundary for recommendation to City Council and subsequent presentation to the Bonner County Board of Commissioners for consideration and eventual adoption.

**WILL THERE BE ANY FINANCIAL IMPACT? No**

**HAS THIS ITEM BEEN BUDGETED? N/A**

**ATTACHMENTS:**

- 2024 Comprehensive Plan Area of Impact Description
- 2024 Comprehensive Plan Proposed Area of Impact Boundary
- Current Sandpoint & Bonner County AI Agreement
- Notice of Public Hearing