

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT COEUR D'ALENE CITY HALL,
MAY 16, 2006

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Hall, May 16, 2006 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

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| Al Hassell |) | Members of Council Present |
| Woody McEvers |) | |
| Deanna Goodlander |) | |
| Mike Kennedy |) | |
| Loren Edinger |) | |
| Dixie Reid |) | |

CALL TO ORDER: The meeting was called to order by Mayor Bloem.

PLEDGE OF ALLEGIANCE: Councilman Goodlander led the pledge of allegiance.

PUBLIC COMMENTS:

LIBRARY FUNDINGS: Chris Luther, 823 Bancroft Avenue, spoke in support of the new library. She encouraged the Council to approve the funding. Kathleen Sayler, Library Trustee spoke in support of the new Library. Ruth Pratt, 3936 E. Mullan Trail Road spoke in support of funding the new library. Denny Davis, Co-Chair of the Bond Election Committee, also spoke in support of the Library facility. Elaine Smith, 1222 N. 6th, also spoke in support of the new Library.

Motion by Reid, seconded by Kennedy to bring Library issue forward on the agenda.
Motion carried.

LIBRARY FUNDING UPDATE: Finance Director, Troy Tymesen, reported the sources of City funding that could be used for the new Library facility included \$40,000.00 from Wastewater Fund, \$20,000.00 from the Stormwater Fund, \$20,000.00 from the Street Overlay Fund and using \$217,779 from Fund Balance. Councilman Hassell questioned where the funding would come in the event that the sale of the Library property did not occur immediately. Mr. Tymesen responded that he would create an interfund loan. Councilman Edinger noted that the Library Foundation has stated that they have raised \$3,000,000 for the Library yet the report states only \$2,000,000. Ruth Pratt explained \$1,000,000 difference was used for the Foundation's expenses. Councilman Edinger asked what happens if the Library Building does not sell for the \$1,000,000. Troy Tymesen responded that we would look at Fund balance to make up the difference. Councilman Goodlander asked if the City will be adding to the Fund Balance again this year. Mr. Tymesen responded that thanks to the conservative use of

funding by the Management Team, he foresees an addition to the Fund Balance. Councilman Edinger asked if there is money for change orders. Troy Tymesen responded that change orders are not normally added to the budget; however, he noted that construction of Fire Station No. 3 came in under budget and on time even with change orders. Councilman Hassell asked if there was any debt on the property for the new library site. Troy responded that there is a debt of \$820,000. Councilman Hassell asked what provision has been made for that debt. Mr. Tymesen responded that LCDC is responsible for that debt to the lender. Councilman Kennedy asked if any funds will be taken out for any priorities or any programs proposed by Department Heads. Mr. Tymesen noted that no funding has been used from priority projects to pay for this project. Councilman Hassell asked if this included any FF&E's (furniture, fixtures and equipment). Troy Tymesen noted that it does not include FF&E's but rather the Library Foundation will continue to fund raise for the Furniture, Fixtures, and Equipment. Councilman Goodlander noted that the Library has fixtures and furniture that can be moved from the current Library. Councilman McEvers asked why are we using funding from the Stormwater account and Overlay account. Mr. Tymesen noted that there are some Stormwater deficiencies in this area and the overlay funding was from the Front Avenue Overlay project. Councilman McEvers asked if the architects would be willing to do a 10% discount to help cover the deficit. Councilman Edinger noted that the taxpayers will be paying the G.O. Bond and LCDC is paying the deficit from tax payer dollars, he then asked if there has been any talk about cutting back costs on this project to make up the difference. Troy Tymesen responded that he has continually asked the Library facility group how we could save dollars and believes that this building is as efficient as it can be made for a 38,000 sq. ft. building. Councilman Kennedy noted that the original DeBartolo study had the building at 45,000 sq. ft. and so the Foundation and Board have reduced the size of the building as far as it could be and still be functional. Councilman Edinger noted that a recent editorial in the newspaper had suggested scaling back the building.

Councilman Reid reported that this Council has been working for a new Library since 1991 and we are now on the brink of constructing this facility and every day that we delay it will cost the City more money so we need to move now.

MOTION: Motion by Goodlander, seconded by Reid to authorize the Finance Director to allocate the funds as presented for the construction of the Library building.

DISCUSSION: Councilman Edinger believes that, with a clear conscience and with the tax payers in mind and using some common sense, he is going to have to vote against this motion. Councilman Kennedy read a letter from Tom Taggart in support of this project and urged that the City move forward with the construction of this facility. Councilman Goodlander commended Renata McLeod for all her effort in this project. Councilman McEvers commented that, as with other projects, this is a good investment. Councilman Edinger noted that he is not against the Library. Mayor Bloem commented that this Council has held the highest standards for other departments and now is the time to raise the standard for the Library.

ROLL CALL: Kennedy, Aye; Hassell, No; Reid, Aye; McEvers, Aye; Edinger, No; Goodlander, Aye. Motion carried.

RESOLUTION 06-034

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AWARDED LEONE AND KEEBLE THE BID FOR THE CONSTRUCTION OF THE NEW LIBRARY FACILITY.

PUBLIC COMMENTS: Dean Haagenson, 3133 Lancaster, Hayden, of Contractors Northwest, commented that he believes that there are irregularities in this bid and urged the Council to reject the bids for the following reason: The low bidder used an electrical contractor in violation of Idaho Law by saying that they would buy some of the supplies for the electrical subcontractor. He suggested that the building project be re-bid and divide the project into two bids – one for the facility and one for the exterior grounds improvements. If the Council does approve the bid, he requested that it be contingent upon the Public Works Contractors Licensing Review Board's ruling on this issue. Scott Fisher, 1834 E. Sundown Drive, project architect from Architects West, took exception to Mr. Haagenson's statements about the electrical contractors and he reported that he had spoken with the Director of the Public Works Contractors Licensing Bureau that what the electrical contractor did is not against the law. Secondly, he argued that a re-bid would take longer than 2 weeks to complete, and this delay would realize another 5-10% project increase in construction costs. Finally, he noted that the low bid contractor has a proven record and will do a good job for the City. Councilman Reid asked if there is a completion for this project. Scott Fisher responded that there is, June of 2007. Tom Hansen, President of Walker Construction, 7804 N. Washington, Spokane Washington, noted that in Washington there is no mechanism for assuring the credibility and financial stability of subcontractors. He noted that Groppe Electric did not even know how big a project his license allowed him to bid. He also requested that the Council reject the current low bid and accept his bid as low bidder. Councilman Hassell noted that the low bid includes the cost of the fixtures not just with the electrical subcontractors bid and so their bid does include all the costs of the construction of the Library. Mr. Hansen agreed that their bid does include all the costs for the bid but he had to increase his bid by \$50,000 so he could go with another electrical subcontractor. Deputy City Attorney Warren Wilson reported that he has discussed this issue with State officials and since the City did not do pre-qualifications, we are required by law to go with the lowest responsive bidder or reject all bids. He also noted that it is against the law for a subcontractor to submit a bid higher than their license allowed. He added that the bid the electrical subcontractor provided Leone and Keeble was within the limits of their license. Mr. Wilson commented that the bid specifications provided that the general contractor bidding on the project could define the scope of work for each of their subs and Leone and Keeble, knowing the licensing limits of Groppe Electric, submitted a bid limiting the scope of work of Groppe Electric. The Idaho Public Works Bureau believes that this is a legitimate bid. The Idaho Public Works Bureau do believe the bid that Groppe Electric

gave the other bidders was against their licensing limits and will be pursuing a fine against Groppe Electric.

Councilman Reid expressed her concerns of using Groppe Electric. Warren Wilson noted that their bid was within their licensing limits and so the General Contractor is responsible for the cost not included in the subcontractor's bid and thus the work is secured under the General Contractor's bond. Councilman Hassell asked if the City were to award this bid, would the City end up in the middle of a controversy. Warren Wilson believes that we are on a solid footing to award this bid to Leone and Keeble.

Councilman Reid asked that if we rejected all bids, we would be rejecting a qualified low bidder. Warren Wilson responded that he is not sure what legal standing the City has in this scenario; however, after his research, he believes there is no reason for the City not to award the Bid to Leone and Keeble. Mike Gridley also noted that the City will have a performance bond from the General Contractor. City Attorney Mike Gridley also commended Warren Wilson for his thoroughness with his research on this issue. Dean Haagenson rebutted that he hoped that the Council understood the precedent that they are setting here tonight and he does not feel this is a fair bid process. He also noted that the contract has a mathematical error on page 3 in the amount of \$90,000.00. He also added that he would argue that there would not be a 5-10% increase in the cost of the project if it were re-bid.

MOTION: Motion by Reid, seconded by Goodlander to adopt Resolution 06-034.

DISCUSSION: Councilman Goodlander commented that she is not comfortable with this bid award. Councilman McEvers believes that the lowest bidder was thinking outside the box. Councilman Hassell noted that right or wrong we are changing the way bids will be submitted and we will have to watch our future bids. Councilman Reid noted that our legal counsel states that we have a legal bid and so does the State, so for us to throw this bid out, we would probably end up in a law suit, additionally the General Contractor is bonding for the work to be done.

ROLL CALL: Goodlander, Aye; Hassell, Aye; Edinger, Aye; Reid, Aye; McEvers, Aye; Kennedy, Aye. Motion carried.

DOG PARKS: Tiffany Wolf, 613 Indian Avenue, believes that there is a need for a dog park and asked the Council to consider a dog park. Mayor Bloem noted that the Parks Department is doing a master plan and staff will forward her request for consideration in the planning process.

CONSENT CALENDAR: Motion by Reid, seconded by McEvers to approve the Consent Calendar as presented.

1. Approval of minutes for May 2, 9, 2006.
2. Setting of the Public Works Committee and General Services Committee meetings for May 22, 2006 at 4:00 p.m.
3. RESOLUTION 06-031: A RESOLUTION OF THE CITY OF COEUR D'ALENE,

KOOTENAI COUNTY, IDAHO AUTHORIZING THE APPROVAL OF S-1-94
ACCEPTANCE OF IMPROVEMENTS WITH MAINTENANCE / WARRANTY
AGREEMENT FOR COEUR D'ALENE PLACE, 14TH ADDITION.

4. SS-16-05 - Final Plat approval of Rosy's Condominiums
5. Approval of Cemetery Lot repurchases from Theresa Forester and Lorraine Blythe (Lot 202, Block H, Riverview) Vivene Near (Lot 590, Block C, Riverview) and James Hoss (Lot 229, Block H, Riverview).
6. Approval of bills as submitted to and on file in the City Clerk's Office.
7. Setting of public hearings: A-3-05 (17.5 acre parcel) between Seltice Way and I-90 for June 20, 2006; and ZC-4-06 Zone change at 647 E. Best Avenue for June 20, 2006.

ROLL CALL: Hassell, Aye; Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Reid, Aye; Edinger, Aye. Motion carried.

COUNCIL COMMENTS:

"BIKE TO WORK WEEK": Hugo LeComte the City's Trail Coordinator presented a television Public Service Announcement promoting "Bike to Work Week". He noted that trips of three miles or less take less time than a vehicle and trips from 3-7 miles take the same time as a vehicle. He added that the "Bike to Work Week" began on May 15th with "Bike to Work Day" occurring on Friday, May 19th. He thanked Councilman McEvers, David Hern and Mike Gridley for their help in putting this video together. Councilman Hassell cautioned area drivers to use be more aware of cyclists on the road. Councilman Goodlander expressed her appreciation for Hugo's efforts in getting the City's Bikeways Trail Plan up and going. Councilman McEvers noted that Hugo did a great job in creating the video.

SUMMIT MEETING OF THE KOOTENAI ALLIANCE FOR FAMILIES:

Councilman Kennedy announced that there will be a summit meeting tomorrow evening to discuss the various growth issues facing our area. The meeting will be held at 3:00 p.m. in Post Falls.

ARMED FORCES DAY: Councilman Kennedy announced that on Saturday, May 20th, Post Falls will host the first Armed Forces Day celebration.

2006 AIC CONFERENCE VOTING DELEGATES: Motion by Edinger, seconded by McEvers to appoint Councilman Hassell as the City's voting delegate to the 2006 AIC Conference and Councilman Goodlander as the alternate delegate. Motion carried.

APPOINTMENTS- ANIMAL CONTROL ADVISORY BOARD: Motion by Goodlander, seconded by Edinger to appoint Dale Johnson, Kootenai County Animal Control, to the city's Animal Control Advisory Board. Motion carried.

RESOLUTION NO. 06-032

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AN AGREEMENT WITH MIG, MOORE, IACOFANO, GOLTSMAN, INC., ITS PRINCIPAL PLACE OF BUSINESS AT 815 SW SECOND AVENUE, SUITE 200, PORTLAND, OREGON 97204, FOR THE PURPOSE OF UPDATING THE PARKS AND RECREATION MASTER PLAN.

Parks Director Doug Eastwood gave the staff report regarding the contract for consulting services to develop the Parks and Recreation Master Plan. Councilman Edinger asked how staff selected this company for the contract award. Doug Eastwood reviewed the Request for Proposal process for this contract. Councilman Reid inquire as to what the time frame was for completing this project. Doug Eastwood responded that it is to be completed within a 12-month time period.

Motion by Hassell, seconded by Kennedy to adopt Resolution 06-032.

ROLL CALL: Goodlander, Aye; McEvers, Aye; Kennedy, Aye; Edinger, Aye; Reid, Aye; Hassell, Aye. Motion carried. Motion carried.

PLANNING COMMISSION REPORT ON COMPREHENSIVE PLAN:

Councilman Reid requested an update on where the Planning Commission is on the Comprehensive Plan.

RESOLUTION NO. 06-035

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AN AGREEMENT FOR CONSTRUCTION OF A PORTABLE RESTROOM SHELTER AT PHIPPENY PARK, WITH GINNO CONSTRUCTION ITS PRINCIPAL PLACE OF BUSINESS AT 106 E. POPLAR AVENUE, COEUR D'ALENE, IDAHO 83814.

Motion by Hassell, seconded by Edinger to adopt Resolution No. 06-035.

ROLL CALL: McEvers, Aye; Reid, Aye; Hassell, Aye; Kennedy, Aye; Edinger, Absent; Goodlander, Aye. Motion carried.

RESOLUTION 06-033

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ESTABLISHING POLICIES FOR FOOD AND/OR ALCOHOLIC BEVERAGE SERVICE AREAS ON PUBLIC SIDEWALKS.

DISCUSSION: Councilman Reid voiced her concern of having a ¼” lip placed in the City’s sidewalks as it could cause a tripping hazard. Warren Wilson responded that the code requirements indicate that it must be a flush style stanchion base. Councilman Hassell asked if seating is going to be allowed at the curbs. Jon Ingalls responded that it will be a negotiation process and this policy applies only to major restaurants/alcoholic service businesses and other smaller food service businesses will be reviewed on a case-by-case basis.

Motion by Goodlander, seconded by Edinger to adopt Resolution 06-033.

ROLL CALL: Reid, Aye; Edinger, Aye; Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Hassell, Aye. Motion carried.

EXECUTIVE SESSION: Motion by Hassell, seconded by Reid to enter into Executive Session as provided by I.C. 67-2345, Subsection C: to conduct deliberations concerning labor negotiations or to acquire an interest in real property not owned by a public agency
ROLL CALL: Hassell, Aye; Goodlander, Aye; Kennedy, Aye; McEvers, Aye; Reid, Aye; Edinger, Aye. Motion carried.

The Council entered into Executive session at 8:35 p.m. Members present were the Mayor, City Council, City Administrator, Deputy City Administrator, City Attorney and Finance Director.

Matters discussed were those of property acquisition. No action was taken and the Council returned to their regular meeting at p.m.

ADJOURNMENT: Motion by, seconded by that there to recess this meeting to May 18, 2006 at 12:00 noon in the Council Chambers. Motion carried.

The meeting recessed at p.m.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, CMC
City Clerk