

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

August 7, 2018

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 Library Community Room, August 7, 2018 at 5:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Dan English) Members of Council Present
Woody McEvers)
Dan Gookin)
Kiki Miller)
Amy Evans)

Loren Ron Edinger) Member of Council Absent

CALL TO ORDER: Mayor Widmyer called the meeting to order.

HEALTH CORRIDOR VISION AND ELIGIBILITY REPORT - Mayor Widmyer recused himself from this discussion and asked Council President McEvers to run the workshop. Community Planning Director Hilary Anderson explained that the purpose of the workshop was to discuss the possible eligibility for the creation of an urban renewal district report for the Health Corridor. She provided a map of the proposed area for the district and its connection to the existing Lake District. She noted that the area is 281 acres and can be shrunk if needed, as the study is brought forward. Additionally, she noted that in comparison, the Lake District is 671 acres and the River District is 307 acres. Ms. Anderson noted that one of the CDA 2030 action items, established through community input, expressed support for the establishment of the medical corridor.

Kootenai Health CEO Jon Ness provided a history of the Kootenai County hospital. He noted that the current challenge is that it is outgrowing the current site. In 2009, the hospital put a hold on construction projects, which gave them time to strategically plan where they were going in the future. The conclusion was that many residents were leap frogging past Kootenai to go to Spokane hospitals, as the perception was that bigger was better, with higher quality, and the predominate reason was a huge doctor and specialty shortage in Kootenai County. This brought forward a renewed philosophy that the best care is care close to home. They committed to a family doctor residency program and expanded the campus to include a neonatal intensive care unit. They conducted an expansion of the Post Falls health park facility, and in 2017 they started a Phase II expansion to include the Emergency and main operating room. Mr. Ness noted that Phase III began this year, which includes a new inpatient neurology and cancer unit. He noted that since 2011, growth includes 3,267 employees (78 percent of employees are females), 400 physicians, 250 volunteers, a current job vacancy of 210, and an average salary of \$62,000.

Over the past year, they had 350,000 to 450,000 patient visits, two-thirds of which is from Kootenai County. Some growth is going to the Riverstone area, due to issues with access to real estate, amenities, bike pathways, and a lack of senior housing around the hospital. He noted that he appreciates the opportunity to participate in the workshop and the Council's consideration.

Councilmember McEvers asked for clarification regarding competition for hospitals. Mr. Ness noted that within the United States, there are 5,000 hospitals, and there are only 51 community owned independent hospitals and, as such, ours is worth the fight. He feels that if they do not grow, they will not be able to attract physicians. Councilmember Miller asked if there were statistics for the residency program and if they tend to stay in the area. Mr. Ness noted that the national standard is 50 percent, and they have only had two years of graduating classes so far. In the first class two stayed, and in the second class, three students stayed. He noted that they currently have 22 physician searches underway. Councilmember Gookin asked what impact local schools have on the ability to hire. Mr. Ness said when they bring people in from other communities, they always look at schools if they have children, so the ability to communicate that we have good schools is very important.

CDA 2030 Chairman Mike Kennedy said that one of the CDA 2030 action items established through community input noted support for the establishment of the medical corridor. He explained that there are many benefits to supporting the medical corridor, including high wage and living wage employment opportunities, enhancements to local neighborhoods, career and technical education opportunities. Last year, the Urban Land Institute's Technical Assistance Panel (a non-profit) reviewed the medical corridor and noted that there was a lack of vision and master planning for the area. The findings included an inconsistent image and identity for the hospital, as well as traffic congestion in the area. They noted that there is a risk for future growth if congestion is not resolved. They recommended visioning and branding for the area, a transportation system, supportive land uses and neighborhood stabilization, a potential overpass and additional parking facilities. Some of the strategies they recommended are to update the hospital strategic plan, 20-year master plan, comprehensive plan and zoning updates, pocket housing renewal, and recommended possible funding sources as urban renewal and an LID. Mr. Kennedy noted that some methods move things forward faster than others and they already feel a bit behind due to a 2 percent annual growth. CDA 2030 would like to support the eligibility report for the Health Corridor. Staff is requesting Council consider support for the eligibility report for the Health Corridor to evaluate a possible urban renewal district. Ms. Anderson noted that they are just trying to explore if an urban renewal district is worth pursuing for the area. The report would provide additional information, and does not commit the Council to create a district or not. She explained that this area could qualify as an urban renewal district when there is traffic and inefficiencies in the area. Several funding options are available with urban renewal to include LID's, BID's, and grants. The report will take several months and the shelf life is up to two years. Kootenai Health and their partners agreed to contribute funds to go toward the report, so this is a request to support the action of moving forward with the eligibility report.

DISCUSSION: Councilmember Evans noted that she appreciates the outside funding of the report. Councilmember Miller asked if the ULI TAP organizational model slide is in priority order. Ms. Anderson explained it was not listed in any order, and for each category, they

provided the pros and cons of each organizational model within the report. Councilmember Miller clarified that according to the timeline, it would be 6 months to complete the report, a district could take more time to be formed and the report is good for up to two years. Ms. Anderson confirmed that it could be a several year process to create a district. Councilmember Gookin asked for clarification regarding what constitutes a non-efficient building. Ms. Anderson explained that changing technology within the health care industry, internet, equipment, etc. might require that a building be demolished and rebuilt or built higher to meet the parking demands with parking facilities. Councilmember English noted that the City was not asked to fund the report, and the heart of what is being asked for is more like a letter of recommendation. Ms. Anderson confirmed that the eligibility report can take place either way, but the next step is the master planning and to move forward with that phase would need Council approval. Mr. Kennedy noted that the idea for tonight's presentation was to make sure the communication flow was present between the hospital and they City and they felt it was important to seek City support. Councilmember Gookin expressed a desire for Council to be mindful of the strengths and weaknesses of an urban renewal district for funding and that the creation of a district is a political hot potato. He also informed the hospital that tax increment financing is a gradual way to fund and takes a while to build up, and the area is already built out, so it will take time to build up. He felt an LID would be a quicker tool, and the major concern he has with URD's is eminent domain. Councilmember McEvers asked about land acquisition and the process and long-range goals for the area. Executive Director of ignite CDA, Tony Burns, noted that they have done land assembly in many areas such as Park Drive, and the Parking Garage. He believes it is a good tool when needed and it works well. Councilmember McEvers noted that the Council has not felt that eminent domain is something they would consider and asked if that is a tool for ignite. Mr. Burns confirmed that they have the authority of eminent domain; however, like the Council, the ignite Board has never considered using it and has bought land at market rate. Mr. Burns also noted that the maximum time frame for a district is 20-years and the district would look for catalytic areas like the Wild Waters property, which would jump start the increment and he confirmed that it does take time to build up. Councilmember Gookin questioned the ability to overlap properties between one district to a new district based on the 20-year maximum. Councilmember English felt it was very improbable for eminent domain to be used, so he did not feel it was a relevant argument. He felt that there are a lot of potential benefits but they would not know for sure until they do the report. Councilmember McEvers complimented the hospital on their success and the good people involved in the project and said that he sees what they could do and want to do and they have his support.

MOTION: Motion by Evans, seconded by Miller to support Kootenai Health and other community partners moving forward with an eligibility report for the Health Corridor to evaluate a possible urban renewal district per the Urban Land Institute's TAP report recommendation.

DISCUSSION: Councilmember Gookin noted that Panhandle Area Council would be a local company that could do the report and should be considered. Councilmember Miller thanked Kootenai Health and the other community partners for funding the report outside of City funding.

Motion carried with Gookin voting No.

Council President McEvers called for a ten-minute recess at 6:04 p.m. The meeting resumed at 6:14 p.m.

INVOCATION: Pastor Geoffrey Winkler with New Life Church provided the invocation.

PLEDGE OF ALLEGIANCE: Councilmember McEvers led the pledge of allegiance.

PUBLIC COMMENTS:

David Lyons, Coeur d'Alene, spoke in regards to the appointment to the Urban Renewal Board, as he felt appointments to this board should be different from other city committees as it is a different governmental entity. He noted that the Mayor appoints with input from the local governing body, and input could not be given if the Council has not received all the names and applications of the people who have applied. He does not believe Council should advise and consent because they do not know the alternatives and would be rubber-stamping what they were given and not be able to advise on the appointment. He asked Council to put the vote off to another meeting and to interview each candidate in order to give fair consideration. Mayor Widmyer asked the City's legal counsel if the applications were legally handled. City Attorney Mike Gridley confirmed that the Mayor recommends the appointment. The Mayor clarified that the ignite Board currently has five members that have been there for three years or less; the sixth member has been on a little more than five years. Of the other members, Scott Hoskins has been there approximately 10 years, Deanna Goodlander since 2000, and Brad Jordon has been there since the beginning of the urban renewal formation. The Mayor noted that he felt that with all the newer board members Brad Jordon had the history and experience on the board and is very valuable to keep on the board. Councilmember Miller said she appreciated the discussion and had some questions so she talked with the City Administrator and asked about the other applicants, and agreed with the recommendation to provide the longevity to this board.

CONSENT CALENDAR: Motion by McEvers, seconded by Evans, to approve the consent calendar.

1. Approval of Council Minutes for the July 17 and July 31, 2018 Council Meetings.
2. Approval of Bills as Submitted.
3. Approval of the General Services and Public Works Committee Meeting Minutes from the meeting held on July 23, 2018.
4. Setting of General Services and Public Works Committees meetings for August 13, 2018 at 12:00 noon and 4:00 p.m. respectively.
5. Setting of public hearings for August 21, 2018 –
 - a. V-18-05, Vacation of a portion of alley right-of-way adjoining the easterly boundary of Lot 1 and the N ½ of Lot 2, Block A, Sanders Addition to the City of Coeur d'Alene.
 - b. Appeal of the Planning Commission approval of SP-8-18 – a Special Use Permit for R-34 density at 623 E. Wallace Avenue.
6. Approval of the cemetery lot repurchases:
 - a. From Debra Akers; Lot 9, Block 5, Section K, Forest Cemetery
 - b. From Gale Akers, Lots 18 and 19, Block 5, Section K, Forest Cemetery

c. From Dawn Sevick, Lot 0616, Block J, Section Riv in Forest Cemetery Annex (Riverview)

7. Approval of Final Plat for SS-18-09, Sherman Five East

8. Resolution No. 18- 038 - A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE BELOW MENTIONED AGREEMENTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE, INCLUDING APPROVAL OF AN ADMINISTRATIVE SERVICE AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT WITH PSP ADMINISTRATION, LLC, (PEAK 1 ADMINISTRATION) FOR THE THIRD PARTY ADMINISTRATION OF THE CITY'S FLEXIBLE SPENDING ACCOUNT; APPROVAL OF TRANSFER OF RIGHT-OF-WAY TO IDAHO TRANSPORTATION DEPARTMENT AT THE INTERSECTION OF US-95 AND WALNUT AVENUE; APPROVAL OF STANDARD DRAWING UPDATES; APPROVAL OF RIGHT-OF-WAY EASEMENT FOR AVISTA NATURAL GAS PIPELINE AT 685 E. KATHLEEN AVENUE (HONEYSUCKLE WELL), AND APPROVAL OF FINAL PLAT, SUBDIVISION IMPROVEMENT AGREEMENT, AND SECURITY FOR SHAPORDA TRACTS (SS-18-05).

ROLL CALL: McEvers Aye; Gookin Aye; Evans Aye; English Aye; Miller Aye. **Motion Carried.**

COUNCILMEMBER ANNOUNCEMENTS:

Councilmember Miller noted that she would be a guest speaker at NIBCA in August. She also attended the Rapid Response Team Active Shooter Scenario Training at Winton Elementary and it was an insightful experience, and time well spent.

Councilmember Gookin noted that he was proud of the first responders working together. He attended the Lake City Employee Association meeting yesterday, and was informed that the average daily use of water is 38.7 million gallons a day at peak times this month. The biggest user is the City of Coeur d'Alene. He noted that there is talk about instituting an odd/even watering day system, but that may be reviewed next year and not this year. He visited the Coeur d'Alene Garbage facility and found many things that are being put in the recycle bin that do not belong there, like hoses and an old box fan. Cardboard and aluminum are currently the most valuable and he suggested that all be smarter about what goes into the bin. Councilmember Gookin noted that the Kootenai County runs the solid waste facility and they have a \$30 million dollar General Fund balance and might be better suited to run the recycling program. Coeur d'Alene Garbage will be issuing warnings to bins that contain inappropriate material until November, and thereafter the bin will not be dumped.

The Mayor noted that the City is seeking high school students to represent on City committees, commissions and boards. Students can be 14-18 years old, and attend school within the 271 District. Applications can be found at www.cdavid.org/volunteer.

The Mayor requested approval of the appointment of David Groth to the Arts Commission and Brad Jordan to the ignite cda Board.

MOTION: Motion by McEvers, seconded by Evans, to appoint David Groth to the Arts Commission and Brad Jordan to the ignite cda Board.

DISCUSSION: Councilmember English noted that he is in support of the motion and appreciates the public comment. He believes the ignite Board needs a mixture of memberships with longevity and new representation. He encouraged Mr. Lyons to resubmit his application as each appointment is another opportunity to serve. Councilmember Gookin noted that the Mayor appoints and the Council confirms the appointments. He noted that they do not see all the candidates and he was surprised to see the others on the list and recommended they all reapply. He would prefer someone else due to Mr. Jordon's longevity, but he is not an objectionable person. He would like to look at new names next time.

Motion carried.

RESOLUTION NO. 18-039

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING A LETTER OF AGREEMENT WITH XCRAFT ENTERPRISES, INC., FOR TEMPORARY INSTALLATION AND TESTING OF THE COMMERCIAL DRONE SYSTEM FIRST IZ.

STAFF REPORT: Deputy Fire Chief Bill Deruyter explained that XCraft approached the City with the idea for a pilot project to house an emergency response drone at Fire Station No. 4. He further explained that there will be no installation costs to the City, and that there will be a nominal electrical cost due to providing 110-volt service at the test site. XCraft would provide all installation and maintenance. The property will be returned to its original state upon completion of testing unless a permanent installation is to be made. Additionally, he noted that having the capability to see an incident before the crews are on scene would give the responding units a bird's-eye view on what is happening or not happening. They could order or cancel units as appropriate, saving lives and resources alike. Mr. Deruyter noted that XCraft will ensure the privacy of neighboring housing developments and intends to provide a letter to all homeowner associations in the area. CEO and co-founder of XCraft, JD Claridge provided a history of the company and his passion for planes. Their focus is hybrid vertical take-off and customization. The project they would like to pilot at the fire station is called First IZ, which would give the first responders video and photos of the scene before they arrive on scene. The concept for the future is that there would be several drones throughout a city and the closest one to the call would be dispatched to the scene. The video would be sent over a secured network with only first responders having access to the footage. They are seeking a one-year test phase at Fire Station No. 4, and noted that under FAA regulations they must fly below 400 feet, not at night, and by a licensed operator. Mr. Claridge noted that the drone is designed with a redundant system so it can return to the station. He described the proposed flight area from Fire Station 4 to exclude flights over residential areas.

DISCUSSION: Councilmember McEvers asked if down the road it comes to development would the agreement change. Mr. Claridge noted it would take a new agreement to operate in the future. FAA allows waivers to the requirements and they are working on beyond line-of-sight requirements. Councilmember Miller asked how long the Research & Development

(R&D) phase would be. Mr. Claridge clarified that the R&D phase would be one-year. Councilmember Miller asked what kind of interaction staff at the Fire Department would be needed. Mr. Claridge explained that it will be for set up with power and an ethernet connection and he does not see much interaction at the fire station. Councilmember Miller noted that this project has a lot of great potential, and hopes at the end of the phase there would be a benefit from the partnership to the City. Councilmember Gookin feels the City will get calls regarding privacy of individuals and the City might need to look at a policy for the future. Mr. Claridge explained that the drone would have flashing lights and identifiable markings. Councilmember Evans noted that the City should supply feedback to XCraft as calls come in. Councilmember English asked for clarification regarding the advantage to the City and questioned if the City will receive a discount in the future. Mr. Claridge noted that the primary benefit of the system would be to help first responders and save lives. He noted that once the pilot period is over he would work on a discount for the City. He hopes to have an end-to-end product by the end of the year, and then another year to make the systems readily available. Mayor Widmyer noted that he is glad that they are in the City of Coeur d'Alene.

MOTION: Motion by Miller, seconded by Gookin to approve **Resolution No. 18-039**, approving a letter of agreement with XCraft Enterprises, Inc. for temporary installation and testing of the commercial drone system First IZ.

ROLL CALL: Gookin Aye; English Aye; Evans Aye; Miller Aye; McEvers Aye. **Motion carried.**

COUNCIL BILL NO. 18-1017

AN ORDINANCE AMENDING SECTION 13.08.030 OF THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, TO CLARIFY THE EFFECTIVE DATE OF NEW FEES IN EACH YEAR; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THE ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE THEREOF.

STAFF REPORT: Wastewater Superintendent Mike Anderson noted that on March 20, 2018, Council approved amendments to Coeur d'Alene Municipal Code sections 13.08.010, 13.08.020, and 13.16.010, adjusting, among other items, residential and commercial wastewater service and usage charges. The requested change to section 13.08.030 is to clarify the date that rate changes are effective to be annually on April 1.

MOTION: Motion by McEvers, seconded by Miller, to dispense with the rule and read **Council Bill No. 18-1017** once by title only.

ROLL CALL: English Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye. **Motion carried.**

MOTION: Motion by McEvers, seconded by Miller, to adopt **Council Bill 18-1017**.

ROLL CALL: English Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye. **Motion carried.**

COUNCIL BILL NO. 18-1018

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ADDING A NEW CHAPTER 10.03 ENTITLED COMPLETE STREETS, TO THE COEUR D'ALENE MUNICIPAL CODE; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE PUBLICATION OF A SUMMARY; AND PROVIDING FOR AN EFFECTIVE DATE.

STAFF REPORT: City Engineer Chris Bosley explained that a “Complete Streets Policy” was previously adopted by the City of Coeur d’Alene in 2009, and was one of the first in Idaho. Complete Streets is a nationally recognized program in which communities require planners, engineers and designers to consider all modes of transportation when designing and building streets. Complete Streets does not require that all streets include sidewalks and bike lanes. It merely requires consideration of all modes where applicable because retrofitting existing streets to include these accommodations can be costly. Currently, staff already uses a Complete Streets approach; due in part to the City’s Complete Streets policy, and Mr. Bosley provided several existing examples within the City. The ordinance will require that designers complete a checklist to verify that all modes have been considered. The checklist asks questions such as “Is the street identified in the Trails and Bikeways Master Plan?” “Is a bus stop or a school within the area?” or “Do business delivery trucks use the street?” Mr. Bosley noted that it is a way of ensuring that items such as these are not missed in review, and is not intended to require trails and bikeways or bus stops on every street, but to consider already adopted plans and uses. A Complete Streets ordinance also strengthens the City’s standing as a Bicycle Friendly and Walk Friendly Community.

DISCUSSION: Councilmember McEvers noted that he has been enlightened as he thought it was all about bike trails. Mr. Bosley explained that the City already has a Trails and Bikeways Master Plan and it is more about considering all street users. Councilmember McEvers had questions regarding bike licensure and rules of the roads for bicyclists and noted that he feels streets should be for the cars. Mr. Bosley explained that bike lanes help keep bicyclists away from the curb and that bicyclists own houses or rent, which contribute to street costs from property taxes or taxes collected on their vehicles too. Councilmember Gookin noted that he had a few concerns such as the fact that the City is already built out and wondered how this affects the existing streets. Mr. Bosley explained that the City is developing streets all the time; for example, Seltice Way and Wilbur Avenue, and next year when connections are made to Government Way, it would be an opportunity for connectivity. Councilmember Gookin asked how this code would be enforced. Mr. Bosley explained that it would come through a City project review, wherein they would provide developers the checklist, which gets the designers to think about these concepts. Councilmember Gookin asked for clarification regarding final exceptions to the codes going to both the City Engineer and Pedestrian Bicycle Committee. Mr.

Bosley explained that he wanted two sign-offs on exceptions and variances to ensure dual review, as there may be locations that are not safe for a bike path. Councilmember Miller asked about the cost burden and who would be responsible for the costs of the program. Mr. Bosley explained that when a developer builds a street they would have to build to the City Standard Drawings and most of the required road widths can accept bike lanes. Sidewalks are good idea generally, but bike lanes are not always a good idea. Councilmember Miller said that when the City moves to an ordinance, it should be cautious of unintended consequences. Mr. Bosley noted that this code would only apply to public works projects and reconstructing a street in whole, not for a couple hundred feet.

MOTION: Motion by Evans, seconded by English, to dispense with the rule and read **Council Bill No. 18-1018** once by title only.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye. **Motion carried.**

MOTION: Motion by Evans, seconded by English, to adopt **Council Bill 18-1018**.

ROLL CALL: Evans Aye; Miller No; McEvers Aye; Gookin Aye; English Aye. **Motion carried.**

COUNCIL BILL NO. 18-1019

AN ORDINANCE AMENDING THE ZONING ACT OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, KNOWN AS ORDINANCE NO. 1691, ORDINANCES OF THE CITY OF COEUR D'ALENE, BY CHANGING THE FOLLOWING DESCRIBED PROPERTY FROM R-3 AND C-17 TO R-17, SAID PROPERTY BEING DESCRIBED AS FOLLOWS, TO WIT: TWO EXISTING PARCELS LOCATED NEAR THE SOUTHWEST CORNER OF THE INTERSECTION OF PRAIRIE AVENUE AND RAMSEY ROAD; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

MOTION: Motion by Gookin, seconded by Evans, to dispense with the rule and read **Council Bill No. 18-1019** once by title only.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye. **Motion carried.**

MOTION: Motion by Gookin, seconded by McEvers, to adopt **Council Bill 18-1019**.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye. **Motion carried.**

RESOLUTION NO. 18-040

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ESTABLISHING A NOTICE OF TIME AND PLACE OF PUBLIC HEARING OF THE PROPOSED BUDGET FOR FISCAL YEAR 2018-2019, AND INCLUDING PROPOSED EXPENDITURES BY FUND AND/OR DEPARTMENT, AND STATEMENT OF THE ESTIMATED REVENUE FROM PROPERTY TAXES AND THE TOTAL AMOUNT FROM SOURCES OTHER THAN PROPERTY TAXES OF THE CITY FOR THE ENSUING FISCAL YEAR AND LISTING EXPENDITURES AND REVENUES DURING EACH OF THE TWO (2) PREVIOUS FISCAL YEARS, AND PROVIDING FOR PUBLICATION OF THE SAME.

WHEREAS, it is necessary, pursuant to Idaho Code 50-1002, for the City Council of the City of Coeur d'Alene, prior to passing the Annual Appropriation Ordinance, to list expenditures and revenues during each of the two (2) previous fiscal years, prepare a Budget, tentatively approve the same, and enter such Budget at length in the journal of the proceedings and hold a public hearing; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d'Alene that the following be and the same is hereby adopted as an Estimate of Expenditures and Anticipated Revenue of the City of Coeur d'Alene for the fiscal year beginning October 1, 2018:

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	ACTUAL	ACTUAL	BUDGET	PROPOSED
GENERAL FUND EXPENDITURES:				
Mayor and Council	234,867	232,306	\$ 244,736	\$ 264,244
Administration	285,922	382,626	380,413	319,927
Finance Department	778,137	1,139,676	1,205,225	1,181,930
Municipal Services	1,594,369	1,644,861	1,788,550	1,879,918
Human Resources	232,632	281,626	311,711	386,888
Legal Department	1,223,419	1,196,573	1,197,425	1,230,996
Planning Department	509,286	553,387	717,644	727,138
Building Maintenance	436,998	453,913	515,303	552,221
Police Department	12,831,491	13,165,412	13,584,524	14,627,277
Drug Task Force	10,008	13,097	30,710	100,000
Police Department Grants	266,471	210,860	121,939	115,533
Fire Department	11,801,552	12,575,064	9,709,001	10,188,866
General Government	233,888	1,614,877	105,900	86,850
Streets/Garage	4,425,371	4,538,448	4,782,038	5,359,109
Parks Department	1,939,542	2,092,225	2,102,365	2,299,943
Recreation Department	686,950	599,770	756,075	761,882
Building Inspection	934,178	959,708	876,593	958,977
TOTAL GENERAL FUND EXPENDITURES:	\$ 38,425,081	\$ 41,654,429	\$ 38,430,152	\$ 41,041,699

	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	FY 2018-19 PROPOSED
SPECIAL REVENUE FUND EXPENDITURES:				
Library Fund	\$ 1,479,052	\$ 1,563,835	\$ 1,618,412	\$ 1,722,412
Community Development Block Grant	527,129	111,746	384,049	408,854
Impact Fee Fund	1,964,605	1,101,900	745,000	521,500
Parks Capital Improvements	409,928	195,569	146,500	131,500
Annexation Fee Fund		193,000	398,240	286,000
Insurance / Risk Management	362,398			
Cemetery Fund	313,712	319,703	294,307	389,878
Cemetery Perpetual Care Fund	133,747	156,534	157,000	207,000
Jewett House	24,213	15,429	25,855	30,955
Reforestation/Street Trees/Community Canopy	101,461	3,392	107,000	110,000
Arts Commission	144	76,675		
Public Art Funds	49,987	88,712	443,500	348,500
TOTAL SPECIAL FUNDS:	\$ 5,366,376	\$ 3,826,495	\$ 4,319,863	\$ 4,156,599
ENTERPRISE FUND EXPENDITURES:				
Street Lighting Fund	633,075	658,543	\$ 639,720	\$ 650,050
Water Fund	7,639,090	7,771,847	10,027,434	12,195,115
Wastewater Fund	14,828,570	19,609,963	22,784,368	19,756,829
Water Cap Fee Fund	190,240	205,902	866,000	1,700,000
WWTP Cap Fees Fund	1,068,326	596,206	2,200,000	1,000,000
Sanitation Fund	3,663,811	3,291,781	3,500,806	4,154,083
City Parking Fund	547,023	603,382	354,846	289,880
Drainage	1,144,826	899,681	1,267,818	1,799,547
TOTAL ENTERPRISE EXPENDITURES:	\$ 29,714,961	\$ 33,637,305	\$ 41,640,992	\$ 41,545,504
FIDUCIARY FUNDS:	2,753,195	2,790,838	\$ 2,957,753	\$ 2,961,959
STREET CAPITAL PROJECTS FUNDS:	1,166,152	3,359,601	1,237,000	731,000
DEBT SERVICE FUNDS:	882,882	931,104	882,181	876,931
GRAND TOTAL OF ALL EXPENDITURES:	\$ 78,308,647	\$ 86,199,772	\$ 89,467,941	\$ 91,313,692
ESTIMATED REVENUES:				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	FY 2018-19 PROPOSED
Property Taxes:				
General Levy	\$ 17,677,328	\$ 19,353,373	\$ 19,520,180	\$ 20,545,865
Library Levy	1,460,931	1,562,216	1,582,257	1,690,063
Policeman's Retirement Fund Levy	150,972			
Comprehensive Liability Plan Levy	335,320			
Fireman's Retirement Fund Levy	250,000	250,000	250,000	250,000
2006 and 2008 G.O. Bond Levy	869,321	894,420	879,681	876,931
TOTAL REVENUE FROM PROPERTY TAXES:	\$ 20,743,872	\$ 22,060,009	\$ 22,232,118	\$ 23,362,859

	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	FY 2018-19 PROPOSED
ESTIMATED OTHER REVENUES:				
Interfund Transfers	\$ 4,305,648	\$ 3,620,599	\$ 6,593,989	\$ 6,294,930
Beginning Balance	40,843,399	42,806,074	18,366,763	23,418,751
Other Revenue:				
General Fund	16,433,686	17,161,734	16,167,273	16,935,034
Library Fund	34,013	35,173	36,155	35,100
Community Development Block Grant	527,129	111,745	384,049	408,854
Parks Capital Improvement Fund	175,222	172,301	134,500	164,000
Insurance/Risk Management	86			
Cemetery	187,318	182,200	178,127	187,000
Annexation Fee Fund	216,107	458,526		1,000
Impact Fee Fund	797,530	840,271	785,000	870,000
Cemetery Perpetual Care Fund	32,747	3,563	30,000	20,000
Jewett House	16,972	16,964	11,000	16,000
Reforestation	11,223	91,829	3,000	3,000
Street Trees	68,255	5,521	84,250	84,250
Community Canopy	903	2,664	2,000	2,000
Arts Commission	7			
Public Art Funds	134,510	118,193	100,000	104,000
Street Lighting Fund	523,817	531,082	529,000	558,152
Water Fund	7,538,786	6,060,777	6,582,120	7,889,400
Wastewater Fund	9,543,575	9,788,926	18,204,730	14,930,251
Water Capitalization Fees	972,136	1,087,709	866,000	1,000,000
WWTP Capitalization Fees	1,902,578	1,931,112	1,010,000	1,360,000
Sanitation Fund	3,820,140	4,131,448	4,545,200	4,211,000
City Parking Fund	197,868	525,574	355,546	496,566
Drainage	1,025,501	1,043,326	1,029,482	1,032,088
Fiduciary Funds	2,643,966	2,319,688	2,740,550	2,728,500
Capital Projects Fund	203,064	2,082,853	260,000	142,500
Debt Service Fund	69,007	13,731		
TOTAL REVENUE OTHER THAN PROPERTY TAXES	\$ 92,225,193	\$ 95,143,583	\$ 78,998,734	\$ 82,892,376
SUMMARY:				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGET	FY 2018-19 PROPOSED
PROPERTY TAXES	\$ 20,743,872	\$ 22,060,009	\$ 22,232,118	\$ 23,362,859
OTHER THAN PROPERTY TAXES	92,225,193	95,143,583	78,998,734	82,892,376
TOTAL ESTIMATED REVENUES	\$ 112,969,065	\$117,203,592	\$101,230,852	\$106,255,235

STAFF REPORT: City Comptroller Vonnie Jensen noted that the proposed resolution sets the public hearing date and the high dollar amount (\$91,313,692) in expenditures for the 2018-2019 Fiscal Year Financial Plan (Annual Appropriation). The financial plan is an estimate of revenues and expenditures for the upcoming year. The expenditures are classified by department, as well as by fund or service, and the revenues are classified by source. Included in the budget as per Idaho Code 50-1002 are actual revenues and expenditures from the prior two fiscal years, budgeted revenues and expenditures for the current fiscal year, and proposed revenues and expenditures for the upcoming fiscal year. The revenue includes a 3 percent increase in property

tax revenue (\$640,573), new growth from property taxes (\$492,918), but no foregone property taxes. She reviewed the prior year's new construction impact, and statewide comparisons regarding foregone amounts, noting the City is second in foregone balance. The current Fund Balance is \$8,328,872, which is 20 percent of expenses. Ms. Jensen noted that over the past ten years the Fund Balance has ranged from 11.62 percent to 21.53 percent. This year, staff is recommending capital items be funded through the Fund Balance (\$607,819). She noted that the proposed budget includes 3.6 FTE increase in personnel at a cost of \$241,481. Additionally, Ms. Jensen reviewed the levy rate for 2018 at \$5.21 compared to 2017 at \$5.51 and provided an example of the impact to a house valued at \$255,000 showing a drop by \$3.87.

DISCUSSION: Councilmember Gookin asked if the labor contract negotiations go down in costs would the City lessen the property tax burden. Mayor Widmyer clarified that the known numbers will be provided prior to the setting of the final budget, as only one negotiation is still in process. Councilmember McEvers mentioned the tax rate differences between Coeur d'Alene versus Post Falls and Hayden, noting that Coeur d'Alene remains a good deal. The Mayor reiterated that this resolution sets the high water mark and over the next four weeks, a lot of discussion and changes could occur before the public hearing. Councilmember McEvers noted that the high water mark includes a 3 percent property tax increase and that the Council can come back and take less. Ms. Jensen confirmed that the Council could take less, not more. Mayor Widmyer thanked Ms. Jensen for her work on the budget and for providing various numbers throughout the negotiations process.

MOTION: Motion by McEvers, seconded by English to approve **Resolution No. 18-040**, setting the Preliminary Budget for Fiscal Year 2018- 2019 and scheduling a public hearing for September 4, 2018.

ROLL CALL: English Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin No. **Motion carried.**

RESOLUTION NO. 18-041

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ACCEPTING THE DONATIONS OF THE FOLLOWING ARTWORK TO THE CITY'S PUBLIC ART COLLECTION: "THE VALENTINE" BY GEORGE LUNDEEN, DONATED BY DR. DAVID SCHREIBER; "ENDURING SPIRIT" BY DAVE YOUNG, DONATED BY STEVE AND DANA WETZEL; "THE IDAHO LUMBERJACK" BY TERRY LEE, DONATED BY MARK BRINKMEYER; AND "THE HONEY BUMBLE" BY MELISSA COLE AND BRAD MCDONALD, DONATED BY JERRY DICKER.

STAFF REPORT: City Administrator Troy Tymesen noted that the City's Arts Commission has been charged with the oversight of the Public Art program. Oversight responsibilities of the commission include donations of artwork to the public collection. The Arts Commission has recently been approached regarding the donation of the following four pieces of public art: "The Valentine," a 48" x 76" x 43" bronze statue by artist George Lundeen, appraised at \$135,000, donated by Dr. David Schreiber of Coeur d'Alene, to be placed on a concrete pad in McEuen Park. "Enduring Spirit," a granite sculpture of a meditative woman by local artist, Dale Young,

valued at approximately \$2,900, donated by Steve and Dana Wetzel of Coeur d'Alene, to be placed outside of the Coeur d'Alene Public Library, at the northeast corner next to the sidewalk. "The Idaho Lumberjack," an approximate 6' tall bronze statue of a lumberjack by local artist, Terry Lee, valued at approximately \$60,000, donated by Mark Brinkmeyer, dba Idaho Forest Group, to be placed on the southwest corner of 6th & Front Avenues, next to the "Working Man" and "The Idaho Farmer" sculptures by the same artist. The "Honey Bumble" an enameled steel sculpture of a flower and honey bee, approximately 30"x 30"x 24," to be placed in front of the "Honey Eatery" restaurant on Sherman Avenue in Coeur d'Alene. The sculpture will be created by Spokane artists Melissa Cole and Brad McDonald and is valued at approximately \$9,500. The donor is Jerry Dicker of Spokane. There is no cost to the City for the art pieces themselves, but there will be costs associated with the installation of the pieces, which will be covered by the Public Art Fund. There is a dedicated art maintenance fund to pay ongoing expenses. The art pieces will be included in the City's assets and covered by insurance. The Arts Commission has reviewed the proposed donations and recommends that they be accepted into the City of Coeur d'Alene's public art collection.

DISCUSSION: Councilmember Gookin questioned the donation of the "Honey Bumble" piece by the owner of the Honey Eatery and wondered if the City had a policy regarding the placement of donated art. Mr. Tymesen noted that the City would work on a location to ensure ADA Access, etc. Councilmember Gookin noted that the "Valentine" piece is catalog art and is not original, whereas the "Lumberjack" celebrates the community's history. Mr. Tymesen explained that the policy does not speak to donations as needing to be originals, and the commission looked at criteria such as artistic merit and there are only approximately 20 of these pieces throughout the country. Councilmember Evans noted the Arts Commission spent a lot of time discussing this piece. She explained that during a recent visit to Beaver Creek, Colorado she noted that this artist had several pieces of different presidents throughout a development and watched tourists go from one to the next as an interactive art arena and many enjoyed it. She thinks it would be a fun piece to have in McEuen and would be very interactive for the community. Councilmember Miller noted that these donated pieces had a requested location, and wanted to ensure that there is no guarantee of placement into perpetuity. Mr. Tymesen explained that the Commission likes to receive input from the donors, and that the donations and memories are important to the donors and they try to respect the placement request, but there is no commitment for future placement and the art pieces will become a city asset. Mayor Widmyer noted that the City would have to be very cognizant of ADA rules for placement on the sidewalks. Councilmember Gookin noted that he is supportive of a curator for the City's art collection.

MOTION: Motion by Gookin, seconded by Miller to approve **Resolution No. 18-041**, acceptance of public art donations of "Enduring Spirit," and "The Idaho Lumberjack," to the public art collection.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English No. Motion carried.

MOTION: Motion by Evans, seconded by Miller to approve **Resolution No. 18-041**, acceptance of public art donations of "The Valentine" and the "Honey Bumble" to the public art collection.

DISCUSSION: Councilmember Miller clarified that the contract for donation is not tied to the locations into perpetuity. Mr. Tymesen confirmed the agreements for donation do not guarantee future placement.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin No; English Aye. **Motion carried.**

RESOLUTION NO. 18-042

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING AN AGREEMENT WITH THE COEUR D'ALENE DOWNTOWN ASSOCIATION FOR THE PERFORMANCE OF ADMINISTRATIVE DUTIES AND RESPONSIBILITIES WITH RESPECT TO PARKING IN THE CITY OF COEUR D'ALENE.

STAFF REPORT: City Administrator Troy Tymesen explained that over the last 28 years, the City has entered into several agreements with the Coeur d'Alene Downtown Association. By these agreements, the Association has among other things managed for the City the Business Improvement District and downtown parking, partnered with the City to review policies and ordinances to further the interests of the City, participated in the Parking Commission on behalf of the City, and facilitated and coordinated with the City for the placement of signs, flowers, and other improvements to the downtown area. The Association has performed these tasks in a professional and competent manner. The City has also contracted with Diamond Parking, Inc., for the purpose of enforcing City ordinances regarding on-street parking, and in its parking and mooring facilities. However, the City continues to perform many administrative functions related to parking, including the management of its contract with Diamond Parking, handling customer service inquiries and parking appeals, and overseeing collection activities. The Association has indicated its willingness and ability to assume the City's administrative duties and responsibilities with respect to parking. Under the proposed Agreement, the City will pay the Association thirty thousand dollars (\$30,000) per year. The initial term will be one year, with automatic renewals for two additional one-year terms. There are two other parking facilities coming on line in the near future.

DISCUSSION: Councilmember McEvers asked for confirmation that the Downtown Association will be handling the ticket appeals, have the authority to hear and make appeal determinations, and asked if they will get a percentage of the dollars collected. Mr. Tymesen clarified that they will not receive a percentage of collections, and they will help with collections but the City still sets policy. Councilmember Miller asked if there will be a separate telephone number for the parking services so there is no confusion on who to contact, and asked if the Parking Commission will stay as an appointed committee or if their function will change. Mr. Tymesen clarified that the function of the Parking Commission will not change. Councilmember Miller noted that she thinks it is a good partnership and parking issues are closest to the Downtown Association. Mr. Tymesen noted that the Downtown Association would handle the appeals for the entire City. Councilmember English clarified that the expense of this comes from the parking revenue, so it is paid for through user fees.

MOTION: Motion by Gookin, seconded by English to approve **Resolution No. 18-042**, Agreement with the Downtown Association for parking administration.

ROLL CALL: Evans Aye; Miller Aye; McEvers; Aye; Gookin Aye; English Aye. **Motion carried.**

LEGISLATIVE PUBLIC HEARING REGARDING VARIOUS FEE AMENDMENTS INCLUDING CLARIFICATIONS, INCREASES, AND DELETIONS TO FEES FOR THE PLANNING, MUNICIPAL SERVICES, WASTEWATER, AND WATER DEPARTMENTS

STAFF REPORT: Municipal Services Director Renata McLeod presented the proposed amendments to the fees for the Planning, Municipal Services, Wastewater and Water Departments. She noted that while the Idaho Code only requires a hearing for fee increase of 5 percent or more, staff is presenting some clarifications and deletions for clarity and tracking. Requests include expedited processing fee for Catering Permits, Outdoor Assembly fees bond/security, and Parade and Special Event Security Deposits/violations for the Municipal Services Department. The Planning Department had several clarifications to the Design Review costs with the addition of Design Departure and Minor Alteration/Modification fees, the addition of an Interpretation fee and an increase in the Planned Unit Development Request fee to include the Final Development Plan fee that is now removed as a separate fee. The addition of Cell Tower SUP fees to include additional consultant costs if needed, increase in annexation fees, reduction of legal annexation agreement preparation fees, a new fee for de-annexation requests, and increase in hearing examiner fees. The Wastewater Department is requesting the inclusion of the Huetter Interceptor fee and removal of several fees regarding sewage dumping and sewer stub fees that are no longer utilized. The Water Department requests an increase to the Call-Out Water Service fee and clarifications to other call-out categories, an increase to delinquent utility charges, and removal of the penalty section regarding log sheets. It is staff's hope to have the fee schedule reflect current practices and add clarity to the fee categories.

DISCUSSION: Councilmember McEvers asked for clarification regarding the design review fees. Community Planning Director Hilary Anderson explained the fees are being clarified when one changes the design they have to go back through the Design Review Commission and will not be charged the full application fee. Discussion ensued regarding when items have to go forward to a design review. Ms. Anderson clarified that this is a process to try to have developers pay their fair share of development, rather than the general taxpayer.

PUBLIC COMMENT: Mayor Widmyer opened public comment and with none being heard, public comment was closed.

MOTION: Motion by English, seconded by Evans to approve **Resolution No. 18-041**, approving various fee amendments including clarifications, increases, and deletions to fees for the Planning, Municipal Services, Wastewater, and Water Departments.

ROLL CALL: Miller Aye; McEvers Aye; Gookin Aye; English Aye; Evans Aye. **Motion carried.**

ADJOURNMENT: Motion by McEvers, seconded by Miller that there being no other business this meeting be adjourned. **Motion carried.**

The meeting adjourned at 8:16 p.m.

ATTEST:

Steve Widmyer, Mayor

Renata McLeod, CMC, City Clerk