

**MINUTES OF A REGULAR MEETING OF THE CITY  
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,  
HELD AT THE LIBRARY COMMUNITY ROOM  
OCTOBER 7, 2008**

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, October 7, 2008 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem

John Bruning	)	Members of Council Present
Loren Ron Edinger	)	
A. J. Al Hassell, III	)	
Deanna Goodlander	)	
Mike Kennedy	)	
Woody McEvers	)	

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

**PLEDGE OF ALLEGIANCE:** The pledge of allegiance was led by Councilman Goodlander.

**PRESENTATION - SPECIAL NEEDS RECREATION ANNUAL REPORT:**  
Recreation Director Steve Anthony introduced Angie Goucher, Special Needs Recreation Director. Ms. Goucher presented a summary of the activities conducted by the Special Needs Recreation program this past year.

**PUBLIC COMMENTS:**

MID-TOWN IMPROVEMENTS: Don Thompson, 701 4<sup>th</sup> Street, believes that it is unfair that a portion of his property taxes have gone to LCDC over the years and now the City wants to form a Local Improvement District (LID) for the improvements along 4<sup>th</sup> Street and he would like to see the City have LCDC fund the LID improvements. Councilman McEvers noted that the City has budgeted \$1.8 million (\$637,000 from LCDC) for this project which includes the cost of forming an LID. Gordon Dobler, City Engineer, explained that LCDC is providing funds for the increased costs for this project of \$1.1 million, with the total contributed funds from the City and LCDC at \$2.5 million. Councilman McEvers asked if LCDC should indeed pick up the entire tab for this project instead of the property owners. Councilman Kennedy noted that the increased cost to the project came from the enhancements requested by the property owners. Councilman Edinger asked if the Council can direct LCDC to pay the LID costs. Deputy City Attorney Warren Wilson responded that he believes that the City cannot direct LCDC as they are a separate governmental board. Mayor Bloem noted that the owners along Sherman Avenue and Lakeside Avenue paid for their LID costs along with State grants for the Downtown improvements and paid their property taxes. In this case there is LCDC which is the one of funding sources of this project. Mr. Thompson believes that since 4<sup>th</sup> Street is a part of the Lakes Urban Renewal District that LCDC should pay for

all of the LID costs. Councilman McEvers asked why doesn't LCDC pay for the entire project since, when the properties are improved through this project, LCDC receives the additional funding from the increased property taxes. Councilman Kennedy asked Mr. Thompson if he feels the property owners should pay any LID costs. Mr. Thompson responded maybe \$1.00 per property owner. Councilman Kennedy reported that several owners along Sherman and Lakeside have told him that they feel that it would not be fair if they had to pay large amounts of money for their street improvements and the property owners along 4<sup>th</sup> street pay nothing. Councilman Kennedy asked if Mr. Thompson would be more willing to participate if the properties that are receiving more enhancements pay more of the LID share. Mr. Thompson again feels that he should not have to pay anything for the improvement to his property. Councilman Edinger summarized that the LID would be for a total of \$400,000 of the \$2.5 million total project costs along with an additional \$400,000 for incentives being paid for by LCDC and Mr. Thompson is requesting that LCDC pay for all improvements. Councilman Goodlander recapped by saying that Mr. Thompson's requesting LCDC to pay \$1.9 million of this project. Councilman McEvers believes that this is a unique situation and the Council should discuss this issue further. Councilman Hassell noted that LCDC has already spent \$800,000 on property acquisition for this area and has pledged an additional \$1.1 million. Councilman Edinger noted that he believes Mr. Thompson is feeling is that since he has been paying property taxes to LCDC he has already paid his share of the project. Mayor Bloem noted any action at this time would be premature without the engineer's report on the complete project design and estimated costs.

Lynn Schwindel, 735 N 4<sup>th</sup> Street, supports Mr. Thompson's concerns. He believes that LCDC could pay the LID off in 10 years with the property taxes received from the 4<sup>th</sup> Street property owners.

Harold Hocker, 1413 E. Spokane Ave., believes that the Council is really sticking their necks out and they are going to be in a mess that they are going to regret for the rest of their lives. He believes that LCDC is the most unfair thing that he has ever seen noting that when he lived in Sacramento he experienced urban renewal districts. He believes that the Council does not know what they are getting into. He noted that he lived through one depression and he believes that what is coming will be worse.

Susan Snedaker, 821 Hastings, announced that October is Breast Cancer Awareness month and urged residents to get examined. She noted that the Council wanted to know if any of the people voting in the Midtown meetings were property owners and she noted that she and Dan Gookin were only people present who did not hold an interest in real property along 4<sup>th</sup> Street and that they did not vote. She is dumbfounded that Welch Comer who participated in the meetings is not being awarded the design contract but JUB is being awarded the design contract for this project and she wants to know why they were awarded the contract since they were never a part of any of the meetings. She asked what the process was and why wasn't the engineer who attended the meetings given the contract. Gordon Dobler, City Engineer, responded that per Idaho Code, the City followed the RFP process in selecting the engineer. He noted that the concept will be drawn up and built by the engineer hired. Councilman Hassell asked what the 4 criteria

were for selecting the construction design engineer. Mr. Dobler responded that among them were familiarity with the project and corporate experience.

Lynn Schwindel, 735 N. 4<sup>th</sup> Street, also expressed his surprise that the engineering firm that conducted the meetings was not selected as the project engineer. He suggested in the future that LCDC should have had a position on the selection committee as well as one of the owners along 4<sup>th</sup> Street as a stakeholder on this project.

**CONSENT CALENDAR:** Motion by Goodlander, seconded by Hassell to remove contract award to JUB from the agenda for separate consideration. Motion carried.

Motion by Hassell, seconded by Kennedy to approve the Consent Calendar as presented.

1. Approval of minutes for September 16, 2008.
2. Setting the General Services Committee and the Public Works Committee meetings for Monday, October 6<sup>th</sup> at Noon and 4:00 p.m. respectively.
3. RESOLUTION 08-053: A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH LMN ARCHITECTS FOR COMMERCIAL ZONING DESIGN STANDARDS; ANNUAL RENEWAL RATES AND BENEFIT PLAN CHANGES FOR EMPLOYEE INSURANCES; BID AWARD AND APPROVAL OF A CONTACT WITH POLIN & YOUNG CONSTRUCTION, INC. FOR THE REMODEL TO FIRE STATION 1; AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH INLAND NORTHWEST CONSULTANT'S INC. FOR THE NEIDER AVE. / HOWARD STREET EXTENSION.
4. Approval of cemetery lot repurchase from Carly Ann Basile.
5. Acceptance of waterline easement at Kootenai Hospital District.
6. Acceptance of access easement from Dave Rucker at 4<sup>th</sup> and Best
7. SS-22-06 - Final plat approval for Trails End, A Condominium.
8. Approval of rescheduling the public hearing for amending City fees to December 2, 2008.

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

**CONSENT CALENDAR ITEM - APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH JUB ENGINEERS FOR 4<sup>TH</sup> STREET IMPROVEMENTS:**

Councilman Hassell recused himself as his son works for JUB Engineers. Councilman Edinger asked what would be the effect if this contract is not approved tonight. Gordon Dobler noted that the project is on a very tight schedule to get this project done by June, 2009. Councilman Edinger commented that he has concerns that Welch Comer went through the meeting process with the 4<sup>th</sup> Street project and now JUB will do the project. Mr. Dobler responded that these are two completely different processes – Welch Comer completed the landscape architect concept process which will

not be done again and now the engineering firm contracted will be completing the construction design of the project. Thus, the City would not be starting over with a different engineer since these are two different phases of the project – concept design and construction design. In conclusion, Mr. Dobler noted that if the Council does not take action tonight, that the project could end up a split project with part of it being done in the Spring and then part of it waiting to be done in the Fall. In regard to the selection committee, it consisted of 3 engineering staff and a representative from the Water Department and a representative from Wastewater. Councilman Goodlander asked who ended up with the most total points. Mr. Dobler responded that JUB had the most points. She asked what the point difference was between JUB and Welch Comer. Mr. Dobler responded that he did not know. Councilman Goodlander noted that there was a 1.5 point difference between the JUB and Welch Comer proposals. Councilman Goodlander asked how subjective the ratings are on the RFP. Mr. Dobler responded that there really isn't that much subjectivity in awarding points in the selection process. Councilman Goodlander stated that she disagreed with Mr. Dobler that the design is complete and the costs have been estimated as the final design has not yet been approved.

Councilman Bruning noted that there is not duplication of work between what Welch Comer did and what JUB will be doing. Councilman Kennedy commented that he had talked with Del Hatch from Welch Comer and asked Mr. Dobler if there was a place for oral interviews since the scores were so tight. Mr. Dobler responded that the panel did not feel the need for an oral presentation based on the RFP's presented. Councilman Kennedy asked why this contract award was not run through Public Works Committee before coming to the City Council. Mr. Dobler responded that generally once the Council approves the project that the contract award is taken directly to the Council. Mr. Kennedy asked about the rationale for selecting the members of the review committee. Mr. Dobler responded that the representatives from Water and Wastewater were there because of their expertise in dealing with these types of contracts and had very little to do with their utilities. Councilman Kennedy commented that he has a conflict with the fact the Welch Comer is less qualified than JUB. Mr. Dobler does not believe that Welch Comer is less qualified than JUB and that is not the reason why JUB received the contract. He added that it is never an issue of less qualified but rather it comes down to a point that somebody needs to come in first. Councilman Kennedy questioned the points awarded for the qualifications of the project manager. Mr. Dobler responded that the principal of a company is generally never the individual listed as the project manager which is the person for which experience ratings are applied. Councilman Kennedy asked if this issue could go back to Public Works to discuss if the selection panel should have included members from LCDC. Mr. Dobler responded that the concept of panel selection could be discussed in broader terms at the Public Works Committee.

Councilman Edinger noted that Mr. Dobler has said that the project has been approved yet the color of the sidewalks has not yet been approved. Mr. Dobler responded that time has been allotted in this project to make those final detail decisions.

**MOTION:** Motion by McEvers, seconded by Edinger to award the professional services

contract to JUB Engineers for the 4<sup>th</sup> Street project.

**DISCUSSION:** Councilman Goodlander noted that she is voting no because Del Hatch from Welch Comer had attended the meetings and their involvement should be continued. Councilman Edinger asked if Del Hatch and Welch Comer did receive compensation for what they have done. Mr. Dobler responded that they have been paid for their work. Councilman Bruning noted that the residents along 4<sup>th</sup> have requested that this project be done as quickly as possible so there is the least amount of disruption to their business. Councilman Kennedy asked Councilman Goodlander what would be the downside of redoing the RFP process. Councilman Goodlander responded that staff has made the determination but she is voting no because she has concerns on the landscape architect aspect of this project and that the property owners have been working with Welch Comer. Deputy City Attorney Warren Wilson commented that staff could not come back in two weeks with a different determination. If Council rejects the bid tonight, then the RFP process would have to be completely redone. Councilman Edinger does not see any benefit in putting off the decision to award the engineering design contract tonight. Councilman Kennedy noted that since they cannot bring it back in two weeks, he has made his decision but the Council does need to look at the process for selecting professional services from engineering firms. Councilman McEvers does not believe that the selection process needs to be reviewed. Councilman Goodlander disagreed in that this process was done differently than other city projects in that LCDC is involved with this project.

**ROLL CALL:** Bruning, Aye; Edinger, Aye; Hassell, Abstained; Goodlander, No; Kennedy, Aye; McEvers, Aye. Motion carried.

**RECESS:** Mayor Bloem called for a recess at 8:15 p.m. The meeting reconvened at 8:25 p.m.

#### **COUNCIL ANNOUNCEMENTS:**

**COUNCILMAN BRUNING:** Councilman Bruning announced that the Recreation department is currently registering 3rd-8th grade students for the boys and girls basketball leagues until October 10th. Registration fees are \$26/residents and \$31/nonresidents.

**COUNCILMAN HASSELL:** Councilman Hassell announced that absentee voting will begin soon. One of the ballot items in this election is the vehicle registration fees and urged residents to review the information on this ballot item.

**COUNCILMAN MC EVERS:** Councilman McEvers announced that CDA TV is currently airing the dedication ceremony of the 9-11 Memorial Park. He noted that it is a very moving video.

**COUNCILMAN KENNEDY:** Councilman Kennedy announced that there will be a ribbon cutting ceremony for the Safe Routes to Schools project. The site of the ribbon

cutting will be along the sidewalk that connects Lakes Middle School to north of the I-90 underpass. He commended Mike Gridley and Kristen Pomerantz for their work on this project

COUNCILMAN GOODLANDER: Councilman Goodlander announced that the Mayor's Awards in the Arts will held on October 9th in the lower level of Brix. Awards will be given to Judith and Michael McGivney for excellence in the arts, Mary Lou Deon for support of the Arts and the Sorensen Magnet School for Excellence in Education in the Arts.

COUNCILMAN EDINGER: Councilman Edinger congratulated the Fire Dept. for their Open House last Saturday.

**ORDINANCE NO. 3341  
COUNCIL BILL NO. 08-1018**

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AMENDING SECTION 2.66.010 INCREASING MEMBERSHIP FROM 9 MEMBERS TO 10 TO INCLUDE A HIGH SCHOOL STUDENT WHOSE TERM SHALL BE FOR ONE YEAR; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; PROVIDE FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

Motion by Goodlander, seconded by Edinger to pass the first reading of Council Bill No. 08-1018.

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

Motion by Hassell, seconded by Goodlander to suspend the rules and to adopt Council Bill No. 08-1018 by its having had one reading by title only.

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

**SOLE SOURCE PROCUREMENT - ACCUBRINE MACHINE**: Street Superintendent Tim Martin requested Council's authorization to proceed with a sole source procurement of an Accubrine machine. He noted that this is to replace the current practice of purchasing de-icing agent from a vendor and that the cost savings from using this machine to create our own de-icer will pay for itself in three seasons of usage. He also noted that other area cities and the highway districts are interested in obtaining their brine solution from the City. Councilman Hassell noted that one of the reasons for the City purchasing this machine is the shortage of the de-icing product used in the past.

Mr. Martin also noted that the annual leaf pickup program will begin November 12<sup>th</sup>.

Motion by Edinger, seconded by Hassell to authorize staff to proceed with the sole source procurement of an Accubrine Automated Brine Maker manufactured by Cargill, Inc. Motion carried.

**REQUEST FOR WATER SERVICE OUTSIDE CITY LIMITS - 1894 JOHNSON ROAD:** Water Superintendent Jim Markley reported that the Phelps who own the property at 1894 Johnson Road are requesting water service to their parcel. Mr. Markley noted that the original parcel had been approved for water service. The property owner is now requesting additional water service for the proposed construction of a residence on the adjacent parcel. Mr. Markley noted that this request does not meet the policy and requirements for providing water service outside the city limits. He also noted that he has a concern of the capacity of our water service being adequate to provide service to those areas that already qualify for City service.

DISCUSSION: Councilman McEvers noted that this is being brought to the full Council to see if the Council would want to reconsider the City's policy and extend water service to this parcel. Councilman Edinger noted that when the City granted water service to the Ulvan property (purchased by the Phelps) that there was a stipulation that water service would not be extended to the adjacent lot which is now requesting water service. Councilman Hassell asked if there were any changes to the conditions in this area that would cause the City to change their policy. Mr. Markley responded no.

Deputy City Attorney noted that what is before the Council tonight is a request to change the City's policy.

Councilman Kennedy asked for input from the applicant or their attorney. Motion by Edinger, seconded by Hassell to allow the applicant 5 minutes of testimony. Motion carried.

Susan Weeks, attorney for the applicant, noted that their clients are aware that they are again requesting water service from the City because they believe that it is not clear that they cannot hook up to the City's water service. She believes that although staff has legitimate concerns, an LID extension agreement can be entered into with the property owners, even though this is not a part of the City's water extension policy. In regard to the concern that this will open up the number of residents outside the city limits wanting water service from the City, she does not believe that this is the case. Additionally, she believes that their water rights were given away by the previous owners, the Shaws. She is requesting that the Council allow her clients an exception to the City's policy and grant them water service outside the city limits.

Councilman Edinger recalled discussions with Gary Ulvan regarding water service to that property and it was stated to Mr. Ulvan that water service would only go to his property where the residence is located and not the property to the north of his parcel. He believes that the realtor who sold this property to the Phelps did a disservice to them. Attorney Weeks disagreed in that Mr. Ulvan believes he was granted service to the property to the

north of his residence. Councilman Edinger asked that if the City granted this request, what effect would this have on the previous owner that was denied water service. Deputy City Attorney Wilson noted that if the City disregards their existing policy and grants water service to this parcel, then the property owner on Harrison could come back and request water service from the City. He also noted that this applicant does not meet the City's policy requirements for water service. Councilman Goodlander challenged that the City obtained their water rights to their well and it was the City's decision that the amount of water from the well did not justify pursuing converting these water rights to a municipal water right. She also believes that it is worth looking at entering into an LID agreement for water service to this parcel. Councilman McEvers believes that if these people want city services then they need to be annexed into the City. Councilman Edinger noted that this is a vacant piece of property that is requesting water service. He believes that the City cannot be the "good guy" all the time and sometimes we need to say no. Councilman Goodlander asked if all the other property owners in the area have City Water. Mr. Markley responded that vacant lots do not have water service; however, those areas that were developed prior to the City purchasing Idaho Water had service provided to them from the Idaho Water Co. Councilman Bruning asked Mr. Markley if the City is making any enhancements to the water system in this area. Mr. Markley noted that there is a large ticket item to enlarge water capacity on Stanley Hill but this is in the distant future.

Mrs. Phelps, property owner, commented that she believes she has not been afforded a fair hearing on her request. She believes that if they went ahead and built a residence then they could have connected to the City. Councilman Kennedy recalled Mr. Phelps wanting to construct a mother-in-law house. He believes that the reason they would not allow water service is just because someone constructs a home does not guarantee obtaining water service from the City. Susan Weeks believes that if the city returns the water rights and they build a well and in two years it fails, then they would be here asking for water service from the City at that time. Deputy City Attorney responded that the City's good neighbor water policy was for existing homes that had their wells fail, not for the further development of property. Councilman Hassell noted that most of the other residences had paid to extend the mains and hooked up to the water system in this area prior to the City purchasing the Idaho Water Co. Mr. Markley confirmed that is true and that is why the city extended water service to these properties which is not the case with the Phelps property. Councilman Edinger recapped that the property owners that have city water service in this area were previous customers of Idaho Water Co. prior to the City purchasing Idaho Water Co. Mayor Bloem asked that if the Phelps made a single lot of the two parcels, then could they extend the existing water service to another residence built on the same lot. Deputy City Attorney Wilson responded that the policy only applies to existing dwelling units, not new construction.

**MOTION:** Motion by Edinger, seconded by Hassell to deny the request to extend water service outside the City limits to 1894 Johnson Road. Motion carried.



**PUBLIC HEARING - VACATION OF EASEMENT AT PRAIRIE STANDPIPE AND QUIT CLAIM TO IDAHO DEPT. OF TRANSPORTATION:** Mayor Bloem read the rules of order for this public hearing. Jim Markley, Water Superintendent, gave the staff report.

Mr. Markley reported that when the City began construction 15 years ago of the Prairie Avenue standpipe they obtained a temporary construction easement and a permanent access easement from the State of Idaho Dept. of Transportation. During the process of obtaining permits for the Idaho State Police to expand their facility at this site, it was discovered that the proposed temporary construction easement provided in fee simple as the permanent easement and the proposed permanent access easement was given as the temporary construction easement to the standpipe.

Tonight's public hearing is to exchange the easements in order to provide the with City with the appropriate permanent access easement to Prairie Standpipe in exchange for the City quit claiming the construction easement back to the Idaho Department of Transportation.

**PUBLIC COMMENTS:** Mayor Bloem called for public comments with none being received.

**MOTION:** Motion by Goodlander, seconded by Edinger to quit claim the improperly located permanent easement back to the Idaho Department of Transportation at the Prairie Standpipe site.

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

**PUBLIC HEARING - V-08-3 - VACATION OF RIGHT-OF-WAY ON THE NORTHGATE CONDOMINIUM PLAT:** Mayor Bloem gave the rules of order for this public hearing. Gordon Dobler, Engineering Services Director, gave the staff report.

Mr. Dobler gave the applicant's name as Donald Beck, who is requesting the vacation of a length of undeveloped right-of-way from the Northgate Mall condominium plat. He noted that the subject right-of-way was dedicated on the condominium plat in 1985 and the intent at the time would have been for future street construction to the east of the subject development. The development to the east of the subject property has been structured in such a manner as to eliminate the need for this portion of right-of-way as there is no additional right-of-way available for roadway construction.

**DISCUSSION:** Councilman Goodlander noted that the water line that runs just north of this easement that connects to the property east of this parcel is along an easement that was vacated and wanted to know if this gives away their rights to water. If so, the homeowners association to the east of the subject property has some serious problems with continuing water service to their property.

**PUBLIC COMMENTS:** Joe Sharnetsky, 362 E. Jeffry Pine Lane, representing The Village Homeowners Association, noted that his Board did a title search on the condominium plat on which their water line lies and that there is a perpetual easement deeded in 1955 for their water line that serves their storage shed. He also noted that homeowners that have RV's have been using this right-of-way for getting their RV's to the storage shed. He summarized that the applicant for this vacation of right-of-way has agreed to sign a contract with the homeowners association to relocate their existing water line to the storage building. If the association agrees with this contract, then they have no objection to this vacation.

**MOTION:** Motion by Goodlander, seconded by Edinger to approve the vacation of right-of-way on the Northgate Condominium plat contingent upon The Village Homeowners Association and the applicant working out an agreement for moving their water line.

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

**ADJOURNMENT:** Motion by Kennedy, seconded by Goodlander to recess this meeting to October 16, 2008 at 12:00 noon in the Library Community Room for a Fall Workshop with LCDC. Motion carried.

The meeting recessed at 10:05 p.m.

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Sandi Bloem, Mayor

ATTEST:

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Susan K. Weathers, CMC  
City Clerk