

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

November 20, 2012

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 November 20, 2012 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

Loren Ron Edinger)	Members of Council Present
Mike Kennedy)	
Woody McEvers)	
Dan Gookin)	
Steve Adams)	
Deanna Goodlander)	

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

INVOCATION: Led by Dick Hege, Coeur d'Alene Bible Church

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

AMENDMENTS TO THE AGENDA:

The Mayor stated that the levee certification update presentation by Gordon Dobler, City Engineer has been rescheduled to the next City Council meeting.

PRESENTATION CITIZEN OF THE YEAR AWARD: Steve Wilson, Chamber President stated that the Chamber provides two awards annually, the Citizen of the Year Award and the Volunteer of the Year Award. This year the Citizen of the year awardee was unable to attend the awards lunch, and he wanted to make a public presentation to the Citizen of the Year, Police Chief Wayne Longo and express that he was very deserving of the award.

PRESENTATION OUTSTANDING CITIZEN AWARD: Police Chief Longo presented the Outstanding Citizen Award to David Travieso. On October 25, 2012, Mr. Travieso witnessed a robbery at the Food Mart and followed the armed suspect on foot. Mr. Travieso provided information to the Police regarding the location of the suspect and demonstrated unbelievable bravery. The Police Department believes that they would not have been able to catch the criminal, had it not been for Mr. Travieso!

PRESENTATION LEAF PICK UP AND SNOW PLANS: Tim Martin presented an update regarding the annual Leaf Pick Up and Snow Plans. Currently the Street Department has completed 85% of the City with leaf pick up. The weight of the leaves is higher this year due to water/snow. Mr. Martin believes the plan is a citizen focused plan, and that it is successful due

to planning, the right equipment, involvement with the community, communication, and City Council support. The City consists of 250 lane miles of street, which equals 500 plowable miles (some streets requiring 5-6 passes). Mr. Martin provided information regarding the average snow removal times and winter tips to the community. Equipment upgrades have provided additional safety and ease of movement for snow removal. One method of including the community is the "name the storm contest" held at Canfield Middle School. This year's theme is rocks and minerals, provided by Bailey Yace. Mr. Martin thanked the community for allowing them to serve and thanked the dedicated crew he works with. Councilman Edinger stated that the Street Department has done a good job with leaf pickup and is confident in the crews' ability to handle snow.

PUBLIC COMMENTS:

EDUCATION PARTNERSHIP: Amy Evans, 717 B Street, introduced the Coeur d'Alene Education Partnership group. The group includes Lisa Overby and Chris Meyer. The Partnership is a nonprofit group funded by community parents and community members. The goal of the nonprofit is to promote and ensure excellence in School District 271. Ms. Evans stated that a strong local economy and excellent school go hand-in-hand. The group has begun the Volunteers in Play (V.I.P.), in conjunction with the Core group and the Young Professional group, which gathers volunteers to play with children at noon recess at Borah Elementary. They would like to be looked at as a nonpartisan source to provide information regarding the School District. Councilman Goodlander stated it was nice to see group of young professionals getting involved in the community.

NEW EMPLOYEES: Troy Tymesen, 7688 N. Valley Street, introduced two new Finance Department employees named Robyn Cole, Storri Farris; please welcome them to the City team.

CONSENT CALENDAR: Motion by Kennedy, seconded by Gookin to approve the consent calendar as presented.

Motion by Gookin, seconded by Adams, to amend the motion to approve Resolution No. 12-045 to excluding item 6f, regarding the Engineering Services Contract with J.U.B. Engineers for Seltice Way.

DISCUSSION: Councilman Gookin stated that his objection is not over the project merits, rather that the request is above the allocated amount in the budget, and he would like to see more commitment from the Post Falls Highway District. Councilman Adams stated that he believes that if the item exceeds the budget, that state law would require a budget amendment. Finance Director, Mr. Tymesen, stated that this item would not exceed the line item, so the budget would not be amended at this time. However, the City Engineer anticipates the line item will be exceeded over the fiscal year. Mr. Tymesen clarified that no funds have been spent out of the \$11,000 line item at this point in the fiscal year. The project is brought forward at this time as Kootenai Metropolitan Planning Organization (KMPO) stated that there is a high probability that Federal funding will occur, and engineering/design must be done in order to be eligible to receive funding.

Councilman Goodlander stated that according to the discussion took place at the Public Works Committee meeting, the construction will be fairly simple to complete, however design must be completed and being prepared/shovel ready provides an opportunity for expected to receive Federal funds. Councilman Goodlander stated that Post Falls Highway District is not within the jurisdiction of this project scope.

Amended Motion carried, with the Mayor voting in the affirmative.

Deputy City Administrator, Jon Ingalls, clarified that Mr. Dobler has been in contact with the Post Falls Highway District, and clarified that the project area is within the city limits of Coeur d'Alene. The project will involve coordination with the area jurisdictions. Councilman Kennedy asked if for clarification regarding what would happen if the contract goes forward and Federal funding is not received. Mr. Ingalls assured the Council that design efforts need to be done, is a very complex area to design. Councilman Kennedy stated that the budget line item has \$11,000, and the contract is for \$10,000, so this would not be over budget in that line item. Mr. Tymesen clarified that this project, and the potential Federal funding, was unknown at the time of the budget, and that Mr. Dobler believes this line item will go over by the end of the fiscal year due to other planned projects. Councilman Gookin asked if money from another line item could be move to cover this expense. Mr. Tymesen says that there are not enough line items within the department budget to cover this cost.

Motion by Goodlander, Seconded by Kennedy to approve item 6f, Resolution No. 12-045, Engineering Services Contract with J.U.B. Engineers for Seltice Way. Motion carried, with Gookin voting no.

1. Approval of minutes for November 6, 2012.
2. Setting of General Services and Public Works Committees meetings for November 26, 2012 at 12:00 noon and 4:00 p.m. respectively.
3. Approval of Bills as Submitted
4. Support of Waste Management request to Eliminate Two-Block Section Alley Garbage Service
5. Relinquishment of the Fill Slope Easement on Ramsey Road in the Fairway Meadows Subdivision
6. CONSENT RESOLUTION NO. 12-045 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 AUTHORIZING THE POLICE DEPARTMENT TO DECLARE CERTAIN VEHICLES AS SURPLUS AND ALLOWING THEM TO BE SOLD AT AUCTION; APPROVING A DOCK LEASE RENEWAL WITH BROOKS SEAPLANE; APPROVING A DOCK LEASE RENEWAL WITH CD'A PARASAIL AND WATERSPORTS; APPROVING A DOCK LEASE RENEWAL WITH LAKE CD'A CRUISES; APPROVING LEASE AGREEMENTS WITH PANHANDLE KIWANIS FOR THE TASTE OF COEUR D'ALENE EVENT & PANHANDLE PARKS FOUNDATION FOR A NEW FESTIVAL OVER LABOR DAY WEEKEND; APPROVING ENGINEERING SERVICES CONTRACT WITH J.U.B. ENGINEERS FOR SELTICE WAY; APPROVING AMENDMENT NO. 2 – AUTHORIZATION FOR ADDITIONAL

SERVICES WITH J.U.B. ENGINEERS FOR THE 2012 WASTEWATER COLLECTION SYSTEM PROJECTS; AUTHORIZING THE DESTRUCTION OF RECORDS FOR THE FINANCE DEPARTMENT; AND APPROVING AN AGREEMENT FOR PRE-PURCHASE OF GE TERTIARY FILTRATION EQUIPMENT FOR WWTP PHASE 5C.1.

ROLL CALL: McEvers Aye; Goodlander Aye; Gookin Aye; Kennedy Aye; Edinger Aye; Adams Aye;. Motion carried.

COUNCIL ANNOUNCEMENTS:

COUNCILMAN KENNEDY: Wished the Mayor a happy Birthday.

COUNCILMAN GOODLANDER: Reminded the community of the upcoming Festival of Trees event. Additionally, the Holiday Lighting Parade, scheduled for Friday night is starting earlier this year at 4:45 p.m. rather than 5:00 p.m., due to a surprise that will make the parade last a little longer. The decorated trees of the Festival of Trees event can be viewed after the parade.

COUNCILMAN ADAMS: Wished the community a happy Thanksgiving.

ADMINISTRATOR'S REPORT: The City of Coeur d'Alene's annual Leaf Fest started on November 13th and is expected to be completed by December 1st. If crews have already been in your area, please do not put leaves in the street. Leaves should be raked about a foot away from the gutter or curb line to allow for water drainage. Please do not put out bagged leaves, branches, rubble, or refuse. Please contact 769-2233, press 1, for an update. Work on the 2012 McEuen Park project will wrap up between November 30th and December 6th. The upgraded parking lots will accommodate 186 vehicles and 26 boat trailer spots. Next spring, 43 trees and 235 bushes will be planted within those areas. Construction will resume next spring and focus on redevelopment of the park. The 90% completion presentation to take place at Parkside Towers on Friday, December 27, 2012 at 7:30 a.m. The Water Department is developing a new well and is seeking proposals for engineering services. The Request for Proposals will be accepted until 5:00 p.m. on December 3rd. Interested parties can contact Jim Markley at the Water Department at 769-2210 for more information. The Coeur d'Alene Arts Commission is seeking artists for the 4th & Kathleen Roundabout. Information packets are available at City Hall, or online at www.cdaid.org. Artist proposals are due by 5:00 p.m., December 14th. Artists with questions are encouraged to contact Steve Anthony, Arts Commission Liaison, at 769-2249. Person Field will be discussed in executive session this evening; however, a meeting with the School District was held recently, and all parties are in agreement that the City should acquire the property. Coeur d'Alene City Hall and other facilities will be closed for the Thanksgiving Holiday this Thursday and Friday, November 22nd and 23rd and will be open on Monday, November 26th, at 8:00 a.m. Due to the Thanksgiving Holiday, City of Coeur d'Alene garbage pickup will be delayed by one day. For more information, please call 769-2223. A meeting was held today with ITD regarding their offer to transfer CDA Lake Drive ownership to the City. Staff will schedule another meeting with the public to discuss the concern/questions raised at the last public meeting. Councilman Gookin clarified that the city website is WWW.CDAID.ORG. The website also provides information regarding the Dike/Levee issues, questions/answers, etc.

RESOLUTION 12-046

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AN AMENDMENT TO THE AGREEMENT FOR FINANCING OF IMPROVEMENTS, MCEUEN PARK, WITH THE LAKE CITY DEVELOPMENT CORPORATION (LCDC).

Councilman Kennedy stated that this is an effort to be more efficient. This amendment would save time and be more efficient without the City losing over the project. Additionally, this item was approved unanimously by General Services Committee.

Motion by Kennedy seconded by McEvers to adopt Resolution 12-046.

Motion by Adams, seconded by Gookin, to table the item to a date certain time to seek a professional opinion on the matter. Motion failed.

DISCUSSION: Councilman Adams stated that this item seems simple and straight forward, however he is concerned about the payment of the transaction and that it would not be recorded in the finances of the City, as funds would be paid directly from LCDC to the Contractor. Councilman Adams felt that in light of the recent embezzlement case, now is not the time to weaken controls. City Administrator, Wendy Gabriel, clarified the invoices would be approved by Welch Comer, City Engineer, and/or Doug Eastwood and LCDC, which would mean three to four approvals prior to payment. Councilman Adams stated that he believes there is a conflict of interest with Phil Boyd, as he is also a member of team McEuen. Ms. Gabriel clarified that this amendment is to the financing agreement with LCDC, not the Miller Stauffer and further clarified that the engineers sign off is important to verify amounts/work has been completed prior to payment. Councilman Edinger stated that he does not believe that this takes control out of the hands of the current City Council nor future City Councils and asked for clarification as to who requested this amendment. Mr. Tymesen clarified that LCDC is a component unit of the City; as such, their financials appear within the City's audit. Therefore, he believes that there would not be a need for the City to write a check, and then be reimbursed by LCDC, additionally; it would inflate the City's budget. The one check method works and is accurate to record, rather than moving through two sets of accounting records, which would cause a need for a budget amendment. Mr. Tymesen clarified that the payments would be accounted for within the audit document. Councilman Edinger asked Councilman Adams to explain the need for an outside review. Mr. Adams clarified that it would provide an outside opinion regarding concerns of transparency and accounting for this this payment method.

Councilman Gookin believes that the City Council has oversight, and believes that is the City Council's job. Mr. Tymesen stated that he brought this item forward after looking at the method of moving money in the original agreement and the affect it would have on our budget records. Councilman Gookin asked for clarification as to why inflating the budget is a bad thing. Mr. Tymesen stated that it is important to have a consistent way to look at budgets year over year and how they are analyzed. Councilman Gookin believes it is important to know what the City is spending, even if it is just a pass through, with a paper trail and accountability. Councilman Kennedy stated that sometimes amending the budget is pointed to as a bad thing, however, believes that overspending the budget is often caused by the City taking advantage of opportunities, such as

the Seltice Way project, and potential Federal funds to pay for projects. Councilman Goodlander stated that she thinks the amendment is making the process simple, and that the LCDC records are also open to the public. The City will still approve these payments prior to them being paid. Mr. Tymesen stated that, per the direction of City Council, staff is tracking all costs associated with the McEuen project and will be supplying an itemized list to the City Council.

ROLL CALL: Goodlander Aye; Gookin No; Kennedy Aye; Edinger Aye; Adams No; McEvers Aye. Motion carried.

RESOLUTION 12-049

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ADOPTING A RESOLUTION TO FILE A PETITION FOR JUDICIAL CONFIRMATION PURSUANT TO TITLE 7, CHAPTER 13 OF IDHAO CODE TO CONRIM THE POWER OF THE CITY TO ISSUE REVENUE BONDS UNDER THE PROVISION OF SECTION 50-237, IDAHO CODE AND SECTION 50-1027 THROUGH 50-1042, IDAHO CODE, INCLUSIVE, PURSUANT TO AN ORDANCE TO BE ADOPTED BY THE MEMBERS OF THE CITY COUNCIL. THE PROCEEDS FROM THE SALE OF THE BONDS WILL BE USED BY THE CITY TO FINANCE THE COSTS OF CERTAIN IMPROVEMENTS TO THE WASTEWATER TREATMENT FACILITY SYSTEM SERVING THE CITY RESIDENTS, WHICH SYSTEM IS OWNED AND OPERATATED BY THE CITY.

Wastewater Treatment Plant Superintendent, Sid Fredrickson, provided the staff report for this item. Mr. Fredrickson is recommending that the Council approve the request to set the public hearing and move forward with Judicial Confirmation, as soon as possible, as there is potential for a draft permit out for public comment by Christmas. Councilman Kennedy requested an explanation as to why it is better to go to Judge versus public vote and what would happen if the voters denied the funding while EPA is still requiring a permit. Danielle Quade, representative of the bond counsel, explained that if a vote failed, the City would not be able to meet the permit timeline required, as construction needs to start this spring. Mr. Fredrickson gave some history and examples of other cities regarding downstream water quality standards. Mr. Fredrickson also provided the compliance schedule within one year, five years, eight years, and ten years to reach full compliance. He noted that these compliance milestones are mandated. If the City failed to comply, a federal order could be issued demanding compliance within less than five years, with the potential for \$37,000.00 daily fines, and the City would no longer qualify for Federal funds/loans, etc. Councilman Adams asked for clarification as to the type of bonds revenue versus general obligation bonds. Ms. Quade stated that the revenue bonds are being sought, and can be paid back from user fees. Councilman Gookin stated that this is still the beginning steps and that the hearing will provide an opportunity for the public to express their opinions. Councilman Edinger stated that he believes the City should go along with the recommendation of EPA.

Motion by Goodlander seconded by Gookin to adopt Resolution 12-049.

DISCUSSION: Councilman Kennedy stated that Sid, Danielle, and Troy have done amazing work bringing this together and it will bring long-term success toward compliance. Councilman Goodlander stated that this is far from complete, as more studies etc. are still needed. Councilman

Goodlander stated that the City is fortunate to have Mr. Fredrickson keeping us on track, and believes that he has allowed us to be ahead of many other cities.

ROLL CALL: Gookin Aye; Kennedy Aye; Edinger Aye; Adams Aye; McEvers Aye; Goodlander Aye. Motion carried.

RESOLUTION 12-048

A RESOLUTION AUTHORIZING PROCEEDING WITH ISSUANCE AND SALE OF A SEWER REVENUE REFUNDING BOND, SERIES 2012, OF CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AND AUTHORIZING RELATED ACTIONS AND MATTERS.

Mr. Tymesen introduced Bond Counsel Danielle Quade and Eric Herringer, of Seattle Northwest Securities, and gave an overview of the request to refund a portion of sewer revenue bonds. Mr. Herringer provided a presentation to the City Council demonstrating interest rates based on a 10-year bond for highly rated borrowers. Additionally, he explained that nine communities throughout the state are working together to refinance existing DEQ loans. The City's current interest rate is 3.75% rate, which was a subsidized rate by DEQ. Currently market rates are lower, so if refinancing were to occur DEQ loans are will get repaid (meaning money goes back into DEQ funds to go out to other communities), and the City saves interest rate costs. One requirement of the bond bank is a debt service reserve fund, restricting \$1.1 million in cash to a designated fund. Mr. Herringer explained that the True Interest Cost is estimated at 2.15%, saving the City approximately \$1.5 million, shortening its loan term by one fiscal year, with a savings level of 11.52%. Idaho investors have an opportunity to purchase with the individual investors opening on November 28, 2012, and then it is open to all other investors on November 29. The bond bank cannot finalize the sale until the City commits to taking the loan, hence the November 29, 2012 City Council meeting. If the loan is approved the bond bank, closing would be scheduled for December 20, with the first payment due on March 15, 2013.

Mr. Herringer explained that the lending criteria includes the following; payments due 15 days in advance, audited financial statements completed and filed within 6 months of the end of the fiscal year, allowance that the bank intercept state shared revenue in the event of default, the City to maintain net system revenues equal to or greater than 125% of the debt service on the load, and that the City maintain a debt service reserve fund. Councilman Adams asked if these are ongoing requirements. Mr. Herringer clarified that these are the same lending requirements that currently exist for the City, and clarified that the City is rated as an AA2, which is a very good bond rating. Councilman Gookin asked what the City is planning to do with savings. Mr. Tymesen stated that the rate analysis study that is currently being conducted will consider the savings, and that it is hoped that it will allow rates to increase less. Mr. Tymesen felt that this item would not require a budget amendment since it would not exceed expenses and that it was previously allocated.

Ms. Quade clarified that the resolution would allow the process to move forward with the bond bank. On November 29, 2012, there will be a new wastewater ordinance presented that will allow multiple bond issues and better methods of working with DEQ loan agreements in the future. Ms. Quade also noted that another covenant required by the bond bank requires the City to demonstrate an ability, and revenue stream, to issue additional bonds.

Motion by Kennedy; seconded by Adams, to adopt Resolution 12-048.

DISCUSSION: Councilman McEvers stated that he appreciates Mr. Tymesen bringing this forward, as it is such a good thing during back economic times.

ROLL CALL: Kennedy Aye; Edinger Aye; Adams Aye; McEvers Aye; Goodlander Aye; Gookin Aye. Motion carried.

EXECUTIVE SESSION: Motion by Goodlander seconded by Adams to enter into Executive Session as provided by I.C. 67-2345 §C: To conduct deliberations concerning labor negotiations or to acquire an interest in real property, which is not owned by a public agency and I.C. 67-2345 §F, To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal option for pending litigation or controversies not yet being litigated but imminently likely to be litigated.

ROLL CALL: Kennedy, Aye; Edinger, Aye; Adams, Aye; McEvers, Aye; Gookin, Aye; Goodlander, Aye. Motion carried.

The Council entered into Executive Session at 8:11 p.m. Members present were the Mayor, City Administrator, City Council, and Deputy City Administrator.

Matters discussed were those of general land acquisition, separation incentive agreements, and the Dixon mediation. No action was taken and the Council returned to its regular session at 10:30 p.m.

RESOLUTION 12-047

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE 2012 EMPLOYEE SEPARATION INCENTIVE - LETTER OF AGREEMENT(s) (LOA).

Motion by Adams seconded by Gookin to adopt Resolution 12-047.

ROLL CALL: McEvers Aye; Goodlander Aye; Gookin Aye; Kennedy Aye; Edinger Aye; Adams Aye. Motion carried.

ADJOURNMENT: Motion by Goodlander, seconded by Gookin to recess to November 29th at 4:00 p.m. at the Library Community Room. Motion carried.

The meeting recessed at 10:32 p.m.

Sandi Bloem, Mayor

ATTEST:

Renata McLeod,
City Clerk Apprentice

DRAFT