

MINUTES OF A CONTINUED MEETING OF THE  
COEUR D'ALENE CITY COUNCIL  
HELD IN THE OLD COUNCIL CHAMBERS, CITY HALL  
ON APRIL 6, 2017 AT 12:00 NOON

The City Council of the City of Coeur d'Alene met in continued session in the Old Council Chambers, City Hall, held at 12:00 NOON on April 6, 2017, there being present upon roll call a quorum.

Steve Widmyer, Mayor

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

Cory Trapp, Longwell Trapp Architects ) Guests Present  
Rich Wells, Ginno Construction )  
Darrell Turner, Ginno Construction )  
Cory Phillips, Ginno Construction )

STAFF PRESENT: Jim Hammond, City Administrator; Mike Gridley, City Attorney; Sam Taylor, Deputy City Administrator; Randy Adams, Deputy City Attorney; Kim Harrington, Project Coordinator; Howard Gould, Building Maintenance Supervisor; Troy Tymesen, Finance Director; Renata McLeod, Municipal Services Director/City Clerk.

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

**WORKSHOP REGARDING THE CITY HALL REMODEL FINAL PLAN**

**Staff Report:** Renata McLeod, Municipal Services Director, presented a preconstruction update on the City Hall Remodel Project. Ms. McLeod reviewed the history of the project and noted that on July 19, 2016 Council authorized a \$1.9 Million project budget with funding from property sale, General Fund, and Lease Funding. On February 7, 2017, Council approved the award of the Contract Manager/General Contractor (CM/GC) Contract to Ginno Construction. On March 23, 2017 Ginno opened bids for mechanical, plumbing and electrical.

Ms. McLeod reviewed the goals for the remodel, which are a new entrance with ADA elevator, ADA bathrooms, security enhancements, the Legal Department under one roof, Customer Service Center enhancements, maximized use of space, electrical upgrade, and HVAC and IT upgrades. She also reviewed the tentative timeline with construction starting on April 10, 2017, and completion in 180 days. She noted that the final moves into the Old Council Chambers will occur tomorrow. Ms. McLeod reviewed the staff project team members and the budget for the project, which includes \$148,250 in Architectural/Engineering costs, \$1.682 Million in

construction costs, with \$78,750 left for contingencies and owner required expenses (approximately 0.05%). Ms. McLeod noted that this is not much for contingencies compared to a normal public works project.

Ms. McLeod next reviewed the project scope and commented that they have brought forward a project that hits the goals that were originally set by Council. She also reviewed the add alternates and asked the Council to consider a roof top HVAC unit for the server room as it is an important item for the entire organization. She also noted that the add alternate for hydronic piping is important to do while ceiling tiles and grids are down as part of the project. Having the ceiling open and available creates an opportune time to do the hydronic piping. Ms. McLeod also noted that the Access Control equipment that would provide security for the building will cost \$47,840, and is an additional added cost, but the piping, wiring, etc. is all being done as part of the project.

Mr. Trapp introduced representatives from Ginno Construction, Rich Wells, Darrell Turner, and Cory Phillips. He noted that the employee bathrooms in the lower level will not be remodeled, although the ceilings in the bathroom will be redone. They will be moving the employee break room downstairs because the new elevator entrance requires the existing break room to be moved. Value engineering determined that the remodel of additional windows to the office area planned for the Legal-Criminal area and remodel of the single-user bathroom on the second floor be removed from the project. Mr. Trapp also noted that one office was deleted as the Community Planning Director will now move into the engineer's office. Things were also rearranged a bit in the Administration area, and a few of the add alternates were repackaged. Mr. Trapp noted that almost everything came down a little bit on price, except for the plumbing. Mr. Wells said that getting people to bid on the project was the hardest part, but they have a good crew and don't believe they will have any issues. He noted that there was a little bit of re-sequencing of the phasing which will hopefully make it easier for staff, and he commented that overall they were pleased with the bid results and the coverage on the project.

Mayor Widmyer asked about the timing for Add Alternate #4 (Roof Top HVAC Unit), and whether it could be added in after October 1<sup>st</sup>. Mr. Trapp said that they can reuse the existing curb that the current rooftop unit sits on so it can be changed out anytime. He noted that the unit would take about 12 weeks to arrive after the order is placed.

Mayor Widmyer asked about the additional cost for Access Control equipment and asked if it would also be another item to put in capital for the next budget year. Mr. Trapp said that they will have all of the rough-in and cabling to the door locations completed so all they would need to do is put in the operators at the doors and they are very easy to add at the end of the job.

Mayor Widmyer asked about Add Alternate #7 (Hydronic Piping) and noted that it makes sense to do it when the ceiling is open. Mr. Gould commented that when they do the remodel they will be adding a lot more heating valves and units in the ceiling that they don't have already. They will be taking all of the perimeter heating out and will have to add a lot more piping. The main is undersized and they will need to upsize the main to supply the hydronics to the coils. Mr. Gould commented that it really is a "must" that Add Alternate #7 be done. Mr. Trapp explained that the price for Add Alternate #7 is for the main lines that go in the hallways and that all of the

branch lines are included in the price. He noted that it would probably cost twice as much to do it later since you have to take the ceiling down.

Councilmember Evans asked about Add Alternate #2 (Upper Level Glass Replacement) and Add Alternate #3 (Lower Level Glass Replacement) and said that she thought that part of the project was to become energy efficient and replace the old windows. Mr. Trapp said that they picked some things that are easy to do at a later date and to keep within the budget that was one of the simple things to remove. He noted that it would be really easy at any time to change out the windows. Ms. McLeod confirmed that the windows had always been an add alternate.

Councilmember Miller asked if most of the add alternates were picked because they could be done later. Mr. Trapp said they were; however, Add Alternate #7 (Hydronic Piping) would cost the most later on down the road. Councilmember Miller confirmed that the Access Control equipment and HVAC units could be pushed into the next budget cycle.

Councilmember McEvers asked about Add Alternate #1 (Cement Fiber Siding), and Add Alternate #5 (Exterior Painting Existing CMU), and asked if you do #1, does it mean that you don't do #5. Mr. Trapp explained that they are two independent things and that the siding is the wood band around the top of the building which would be replaced with cement fiber siding that is painted. Mr. Wells said that Add Alternate #5 is for the concrete block. Mr. Gould confirmed that the building was painted about 6 years ago.

Councilmember McEvers asked about Add Alternate #6 (Lower Level Public Restrooms). Mr. Trapp said that those are the two public restrooms downstairs. They are adding a separate handicapped accessible restroom across the hallway from those restrooms. He noted that the two public restrooms could be easily remodeled down the road. They are also adding a handicapped restroom on the upper floor which is also included in the base bid.

Councilmember McEvers asked about Add Alternate #9 (Metal Canopies). Mr. Trapp said that they would be for the two doors on the lower level and would protect from rain and also shade the metal doors from the heat, which keeps them working well. Councilmember McEvers asked about snow piling up on the canopies and Mr. Trapp said that you would get a little bit of snow on them.

Councilmember Gookin asked if there is anything that didn't make the add alternate list that had been previously discussed. Mr. Trapp said that the listed alternates were included from before and they added two other items. Ms. McLeod explained that anything that they "value engineered" was not included as an alternate, nor in the base bid.

Councilmember English asked about Add Alternate #10 (Exterior Concrete Stairs) and whether it could be a separate project. Mr. Trapp confirmed that it could easily be a separate project and the only thing that would tie it in to the building would be providing power to a couple of lights.

Councilmember Gookin asked about windows in the Old Council Chambers. Mr. Gridley said that in the design phase they talked about putting windows in. Mr. Trapp said that to do the windows they would have to saw cut the masonry and patch and repair. He noted that it is quite

a bit of work to cut the windows in and they would also have to repaint the outside of that piece of the building. Councilmember Miller asked if the Old Council Chambers office space was designed for hard walls or dividers and Mr. Trapp confirmed that there would be hard walls and interior windows looking into the central space.

Councilmember Gookin said that things will only get more expensive in the future and he doesn't want to keep delaying the process. He noted that we have the resources now and the people and he supports the installation of windows in the Old Council Chambers.

Mayor Widmyer commented that in any remodel project, at some point in time you have to draw a line in the sand. He noted that he would be in favor of all of the Add Alternates, except for #10 (Exterior Concrete Stairs). Councilmember English said that he would agree with Add Alternates #1-9, and the windows for the Old Council Chambers. Councilmember Gookin said that he would like to see the exterior stairs be something like Tubbs Hill – more like a path rather than concrete stairs, and something that they could do in house. Councilmember Miller suggested working with the library on the stairs as a joint project.

Councilmember Evans said that she would also be in favor of Add Alternates #1-9, the Access Control Equipment, and windows in the Old Council Chambers. She asked how it is determined who gets an office and who doesn't. Mr. Taylor said that the determination came from him and noted that offices are typically for department heads to have a space that can be enclosed and as they were looking to cut costs, they were looking to find a solution. Councilmember Miller noted that they have added smaller conference room areas as separate space, but she thinks a department head needs to have private conversations with staff. Councilmember Evans commented that employee morale is a priority for her. Mr. Taylor commented that morale can go the opposite way when you have a general staff member who gets an office as opposed to a department head.

Mr. Trapp said that the next step is to try to get the numbers more fine-tuned. They will need to do a guaranteed maximum sum and an additional piece of the contract with Ginno. They will include the contingency in that number also.

Councilmember McEvers asked if Mr. Trapp's services would cost more for the Add Alternates. Mr. Trapp said that, technically, they should, but he will not charge more. Ms. McLeod said that the City will pay a little more to Ginno Construction for the Add Alternates.

Mayor Widmyer commented that the City is very fortunate to have a company of the quality of Ginno Construction to do this project.

Mr. Tymesen discussed financing of the remodel project. He noted that they have liquidated the old library and the \$525,000 from that sale has been dedicated to the remodel project. The total cost of the project with the Add Alternates would be \$2.182 million, and Mr. Tymesen said that he thinks they can find a lender that would finance a portion of the project. The State of Idaho has recognized that cities can lease equipment or assets and lease rates have gone up to about a 3.25% fixed rate. Mr. Tymesen said that he believes he can get the lease for 20 years. The idea is to match close to what they are currently paying in rent for the Criminal Division on Sherman

Avenue. He noted that the Fund Balance is \$8.6 million at this time, which is about 21% of the General Fund expenses. He explained that if the City did not receive any income, it could continue to pay its bills for about 2 ¾ months. He noted that the City is in good shape in regard to cash and recommends the lease option.

Councilmember McEvers asked if there was another way to just pay the additional \$250,000 out of the fund balance or from fees. Mr. Tymesen commented that they were going to go into the fund balance anyway for anything that was purchased out of next year's budget. Mayor Widmyer asked how much the City paid out of last year's fund balance for the remodel project. Mr. Tymesen responded that the amount was \$116,264, and confirmed that it would leave \$2,060,000 left over funding that is needed. Mr. Tymesen confirmed that if Council wanted to pay the whole amount out of the fund balance the City would still have 2.44 months of coverage in the fund balance.

Councilmember Gookin commented that building permits are on the rise and annexation fees are coming in in excess of what was budgeted. He noted that he finds it difficult to go to the public and explain why they are borrowing money at 3.25 percent when they have money in the bank and that it doesn't make financial sense to him.

Councilmember English said that he agrees with Councilmember Gookin, and Councilmember Miller said that she is kind of uncomfortable with the lease in that leasing something that isn't tangible as a repossess-able item seems awkward. She asked where the City would be in less than 24 months if they took the entire amount out of the fund balance. Mr. Tymesen commented that the only way that the fund balance grows is when revenues exceed projections and keeping expenses lower than anticipated. He noted that growth is good and consumer confidence is good, but that the City has also added new staff and put a new fire station in place with ongoing expenses.

Mayor Widmyer noted that the City's fund balance was \$8.6 million as of September 30<sup>th</sup> and asked what the balance was for the previous year. Mr. Tymesen said that the fund balance grew by approximately \$300,000-\$400,000. He also noted that there will be some retirements this year which will come back in at a lower wage rate. He commented that the forecast is good and we are in good economic times.

Councilmember Edinger commented that he would hate to go out and approach the people to borrow the money when we have the money. He thinks that they should put everything into the project that they want and pay for it and get it done because who knows down the road what is going to happen and who is going to be here.

Councilmember Evans said that she goes back to Troy's expertise and his guidance from a financial perspective. Mr. Tymesen recommends a lease and she would tend to lean that way. She also noted that the City has a great communications director who can explain the Council's decision.

Mr. Tymesen said that \$8.6 million in the fund balance is very healthy and he would not lose any sleep if Council said to take the money from the fund balance as long as the crew doesn't have major overages on the project.

Mayor Widmyer commented that on two occasions the Council has used large amounts from the fund balance and has been able to move forward and grow the fund balance from there. Councilmember McEvers commented that he thinks putting \$2 million into City is probably the right thing to do.

**MOTION: Motion by Gookin, seconded by Miller, that Council approve Add Alternates 1 – 9, the purchase of the Access Control Equipment, and windows for the Legal Department (Old Council Chambers) not to exceed \$20,000.**

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

**MOTION: Motion by Gookin, seconded by English, that council approve using funds from the fund balance as well as proceeds from city-owned property sales as the sources for funding the City Hall remodel project.**

**ROLL CALL:** McEvers, Aye; Gookin, Aye; English, Aye; Miller, Aye; Edinger, Aye; Evans, Aye.

**DISCUSSION:** Councilmember Gookin said that he heard a rumor that the City might be getting rid of the property on Fruitland. Mr. Tymesen confirmed that the proceeds from a sale would go into the fund balance.

**Motion carried.**

**ADJOURN:** Motion by Gookin, seconded by Miller that there being no further business, this meeting is adjourned. **Motion carried.**

The meeting adjourned at 12:55 p.m.

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Steve Widmyer, Mayor

ATTEST:

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Renata McLeod, CMC  
City Clerk

