

A CONTINUED MEETING OF THE
COEUR D'ALENE CITY COUNCIL
HELD ON MARCH 7, 2013 AT 5:00 P.M.
AT THE LIBRARY COMMUNITY ROOM

The Mayor and Council of the City of Coeur d'Alene met in a continued session in the Library Community Room on March 7, 2013 at 5:00 p.m., there being present upon roll call a quorum:

Sandi Bloem, Mayor

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

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

City Engineer Gordon Dobler explained that the proposed Amendment No. 2 to the Financing Agreement with the Lake City Development Corporation (LCDC) includes the additional \$4,124,800 in funding toward the McEuen Park Project. This would finalize the acceptance of their financial agreement.

RESOLUTION NO. 13-015

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO
AUTHORIZING AN AMENDMENT NO. 2 TO THE AGREEMENT FOR FINANCING OF
IMPROVEMENTS OF MCEUEN PARK WITH THE LAKE CITY DEVELOPMENT
CORPORATION (LCDC).

Motion by Kennedy, seconded by McEvers to adopt Resolution 13-015.

DISCUSSION: Councilman Gookin stated that he would be opposing the motion because he does not agree that this is an appropriate use of urban renewal dollars. He explained that when legislation has been introduced in support of urban renewal, there has never been an argument that these funds can be used to fund a project that could otherwise be put to the voter. He believes that this project should have been funded by a public bond vote.

ROLL CALL: Gookin No; Kennedy Aye; Edinger No; Adams No; McEvers Aye; Goodlander Aye. Motion carried with the Mayor's tiebreaking vote in the affirmative.

Mr. Dobler stated that the City received six bids for this project. Bids included a base bid amount and nine alternatives, seven additive and two deductive. The lowest responsive bidder was determined by the inclusion of the alternatives previously placed in priority order. The low responsive bidder is Contractors Northwest, Inc. (CNI). Their base bid was \$14,621,000, with the inclusion of deductive Alternate No. 2, Additive Alternate No. 3, and Additive Alternate No. 7, for a total sum of \$ 14,809,800.

This amount will provide a project budget balance of \$600,000 unencumbered dollars after the bid is awarded. Staff's recommendation is to award the bid to CNI.

Councilman Gookin asked for clarification regarding the financial analysis, and if the City would borrow from next year's budget and if that would be problematic for binding future Councils. Mr. Dobler stated that they would be spanning over two fiscal years for the Overlay Fund and the Parks Capital Improvement Fund. City Attorney Mike Gridley stated that if it is paid within the year, it would be within the budget. Mr. Dobler clarified that the funds will be spent within the 409-day contract period. Councilman Kennedy clarified that the current Council will be setting the budget for next fiscal year. Councilman Gookin clarified that his concern is that this will commit funds from another year's budget, and does not believe that the City can budget out over time. Mr. Dobler stated that this is how many of the large scale past projects have been funded. Mayor Bloem asked if the recent decision to purchase land from the School District would be an example of how the City can obligate funds. Councilman Kennedy stated that the City could get out of a contract by changing it mid-stream; however, that would be legally problematic and lawsuit-based. Mr. Dobler reiterated that some of the City's large roadway projects are contracts the City enters into in one fiscal year, committing funds from the next fiscal year. Councilman Gookin stated that he appreciated the answer but does not agree with the practice.

Councilman Gookin noted that the Contract references "complete" and "substantially complete," and asked for clarification regarding the difference between the two items. Mr. Dobler stated that substantially completed items are useable but may have a punch list of items that need correction, such as a crack in the concrete, and completed items have no punch list as they are accepted as done by the City. Councilman Gookin asked who checks that the Contract is employing 95% bona fide Idaho residents. Mr. Dobler stated that the Contractor has the responsibility to meet this state requirement. Councilman Edinger noted that the budget includes \$160,000 in donation, and asked if those funds have been received and asked what the balance of the Parks Capital Improvement Fund and General Funds balances will be after the project budget is removed. Mr. Dobler stated that there has been a donation for the dog park association of approximately \$60,000 and a \$150,000 anonymous donation has been pledged, which the City is confident in receiving. Councilman Kennedy clarified that others have asked to donate and the City may see a desire for more people to donate. Mr. Dobler clarified that the \$950,000 allocated from the Parking Fund has been spent, and has depleted that fund. The Parks Capital Fund has committed \$235,000, which leaves a balance of \$564,000 for both fiscal years, and the fund is supplemented by Impact Fees. Councilman Edinger stated that he understood that Parks Capital Improvement money would be spent at Ramsey Park for the American Legion Field. Mr. Tymesen concurred that there are funds in that account allocated toward the American Legion Field. Mr. Tymesen clarified that the current level of the Fund Balance is difficult to give off the top of his head; however, he will be providing a financial update at the next regularly scheduled Council meeting. He clarified that he was comfortable with the allocation of Fund Balance due to past years' frugality and estimates that after spending of prior obligations, the fund balance will be approximately 12%. He also clarified that time helps in the financing world, as building income may exceed expectations and the City has time to receive more revenue. Councilman Edinger asked if the pending lawsuit would need to come out of Fund Balance. Mr. Tymesen stated that if it needed to be paid out; it would come from Fund Balance, as there are no other budgeted resources. Mr. Dobler thanked Dennis Grant for putting together the project budget.

RESOLUTION NO. 13-014

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO ACCEPTING THE BID OF CONTRACTORS NORTHWEST, INC. FOR THE 2013 MCEUEN CONSTRUCTION PROJECT.

Motion by Goodlander, seconded by Kennedy to adopt Resolution 13-014.

DISCUSSION: Councilman Kennedy stated that he has had the pleasure of sitting with Team McEuen over the past months and he was very impressed with their ability to handle the moving parts and details. He stated that the team should be thanked and applauded for the remarkable amount of work they have done. He believes this is a legacy project and that ten years from now the majority of the people would not remember the contention of the project but that they will be enjoying the benefits of the finished park. He further congratulated Parks Director Doug Eastwood for seeing this project through to a successful resolution. Councilman Edinger stated that he will vote against the Contract, and that he has nothing against the design team or CNI. He stated he was glad to see a local contractor awarded the project; however, his objection is that he believes the project should have been voted on by the people. He believes the project was unneeded and it is a lot of money to be spent. Councilman Edinger stated that looking at future maintenance and operation costs concern him. Councilman Goodlander seconded what Councilman Kennedy said, as she has seen the dedication of staff and consultants and the energy they brought forward was great for this project. She appreciates saving jobs within our community and she is ready to get started on the project. She believes that when the park is complete it will be a remarkable place, which happens because people dedicate energy to make them a remarkable place.

ROLL CALL: Gookin No; Kennedy Aye; Edinger No; Adams No; McEvers Aye; Goodlander Aye. Motion carried with the Mayor's tiebreaking vote in the affirmative.

RECESS: Motion by Kennedy, seconded by Goodlander to recess to March 14th at 6:00 p.m. for a Joint Meeting with the North Idaho College Board of Trustees at the Library Community Room. Motion carried.

The meeting adjourned at 5:33 p.m.

Sandi Bloem, Mayor

ATTEST:

Renata McLeod
City Clerk