

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

May 1, 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, May 1, 2018 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

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

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

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

PROCLAMATION FOR NATIONAL SAFE BOATING WEEK – MAY 19-25, 2018:

Mayor Widmyer proclaimed the week of May 19-25, 2018 as National Safe Boating Week. Kathleen Goodwin, District 12 Commodore, accepted the proclamation and noted that the main mission of the Coast Guard Auxiliary is to promote boater safety and save lives. She reminded the Community that rivers and lakes are still cold and flowing fast. There are 102 life jacket loaner stations throughout the state of Idaho. May 18 is national “Wear Your Lifejacket to Work Day” and she encouraged citizens to join in the effort.

FISCAL YEAR 2017-2018 AUDIT: Toni Hackwith with Anderson Bros., CPA, PA thanked staff and management at the City during the fieldwork period for the 2016/2017 annual audit. She noted that the purpose of a financial statement audit is that the law requires it and it also assure financial statements are correct and that statements conform to generally accepted accounting principles (GAAP). She noted that for the fiscal year ending September 30, 2017 the City received an unmodified opinion for financial statements, internal controls and compliance of each major program. She explained that internal control testing in financial statement audits includes policies and procedures, testing to ensure the opinion of the auditor is based on correct information, and is not an opinion on the effectiveness of the City's controls. Ms. Hackwith reviewed the general fund revenues, expenditures, transfers, and debt proceeds from what was anticipated and what were actual funds received and spent. She also provided a comparison from 2013 through 2017. At the end of 2017, the General Fund balance was \$8.3 Million, which is 23% of the City's operating revenue. She noted that the importance of a General Fund balance is that revenue streams are not consistent from month-to-month and it provides resources to meet unexpected emergencies and uncertainties in State and Federal funding, protects the City from

needing to borrow funds, and helps ensure a credit rating that qualifies the City for lower interest rates. The Government Finance Officers Association recommends at a minimum that governments maintain a balance of five (5%) percent to fifteen (15%) percent of its regular operating revenue or no less than one to two months of general operating expenditures. She briefly reviewed the water and wastewater funds revenue and expenses. She explained that these funds should be self-sustaining and have enough funds to pay for needed infrastructure improvements. Councilmember English said that sometimes the governmental accounting is complicated, but is there is a big difference between regular accounting. Ms. Hackwith explained that the biggest difference is that accounting for long-term obligations and capital assets are depreciated within the operating statements; however, in governmental accounting the modified accrual basis is used, without showing depreciation but showing the outlay in the expenditure of capital assets. Mayor Widmyer noted that the main reason for the audit is to ensure compliance with GAAP. City Administrator Troy Tymesen confirmed that the audit can be found on the city's website and it is filed annually with the state.

RIVERSTONE TRANSIT CENTER: Director of the Kootenai County Transit System Jody Bieze presented the Riverstone Transit Center site analysis. She noted that they engaged Coffman Engineering and ALSC Architects who analyzed the sun angles, natural drainage, visibility to and from the site, access, etc. for the site. She explained the design advisory committee provided input to the architects and determined that design principals should include rider comfort and convenience, improved operations, a safe and secure site, accessibility, flexibility, bring a unique Coeur d'Alene character, and have beautiful durability. Upon reviewing several site designs, the committee preferred the great divide option, which provides parking on either side of the facility. She noted that the first phase would include the north parking lot and the facility. Ms. Bieze presented drawings of the proposed facility. She explained that the facility would include staff areas, dispatch, office space, multi-use space, and exterior restrooms. She noted that the schedule includes construction documents being completed by July with construction beginning shortly thereafter. They hope to be operational by June 2019. Mayor Widmyer asked what would Phase 2 include and when would that phase move forward. Ms. Bieze explained that it would be dependent upon funding and that Phase 2 would be the completion of the parking. Councilmember McEvers felt the design was good and wondered if the County would do all the maintenance. Ms. Bieze confirmed that the County will do the maintenance and that the buses will be stored and maintained at another location. Councilmember Evans asked if the area for patrons to wait for buses was fully enclosed or a covered walkway. Ms. Bieze explained that the wait area was not fully enclosed but enclosed between the two restrooms. Councilmember Gookin noted that he served on the design committee and noted that the City Council wanted to see a lobby/waiting area, which ended up covered with public restrooms and a waiting area in the final design. He noted that he is concerned about the timeline, with the upcoming election, and that someone newly elected can kill the project. Ms. Bieze noted that the project is funded. Mayor Widmyer noted that the schedule presented shows construction beginning in late summer with operations to start in August 2019. Ms. Bieze confirmed the project is moving forward with current funding.

WALK FRIENDLY COMMUNITY DESIGNATION- Tessa Jilot, Pedestrian Bicycle Advisory Committee Chair, and Jamie Lynn Morgan, committee member noted that the city recently received the "Walk Friendly Community" designation. Ms. Jilot noted that this is a

national designation for highlighting the City's mobility access and comfort. The committee submitted an application and highlighted the City efforts. Last week the City was informed that the City achieved the bronze level "Walk Friendly Community" designation. Ms. Morgan noted that the City is working on the Complete Streets policy, extensive hiking trail system and shared use and regional connective trails to achieve the platinum level status, as well as continued community education and ADA Compliance.

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

1. Approval of Council Minutes for the April 17, 2018 Council Meeting.
2. Approval of Bills as Submitted.
3. Approval of the Public Works Committee Meeting Minutes from the meeting held on April 23, 2018.
4. Setting of General Services and Public Works Committees meetings for May 7, 2018 at 12:00 noon and 4:00 p.m. respectively.
5. Approval of a Beer and Wine License for Taqueria El Taco Loco, 219 W. Canfield Avenue, Alfredo Guerrero (new)
6. Approval of Final Plat for SS-18-01, Bellerive 7th Addition

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

COUNCILMEMBER ANNOUNCEMENTS:

Councilmember Miller announced that the last Atlas Community meeting was a packed house and there have been over a 1,000 citizens checking the city website. More information will be posted to the website as the financial feasibility team meets and reports back to the City.

Mayor Widmyer requested approval of the appointment of Erika Eidson to the Urban Forestry Committee.

MOTION: Motion by Evans, seconded by McEvers to approve the appointment of Erika Eidson to the Urban Forestry Committee. **Motion carried.**

BIOSOLIDS DISPOSAL PRESENTATION

Wastewater Treatment Superintendent Mike Anderson noted that the Wastewater Department has been using composting as the preferred method of disposal for biosolids since 1988. Prior to 1988, the biosolids were simply spread out on a field and dried. He provided an overview of the current composting facility site plan and how the composting process is completed. He explained that biosolids are the solid particles that accumulate at a wastewater treatment plant as a result of the separation of organic solids from the water and growth of the biology that consume these "solids." These solids are anaerobically digested at the treatment plant, which reduces the odors, pathogens, and vector attraction of these solids. He compared the operational cost of composting, \$338,000 annually, versus the operational cost of a contracted private hauler, \$325,000 annually. He believes there will be 10% increase in solids coming from the treatment

plant for an increased cost to \$349,335 versus the private hauler of \$367,428. An increase in solids production would have less of an impact on the composting method than it would on the cost of a private hauler. The volatility of the cost is also much more stable with composting of the product as compared to utilizing a private hauler. There are non-monetary considerations as well. After composting the biosolids, there is a valuable (beneficial) product that is currently being sold to local retailers. This product is also part of a community outreach program and is regularly given away to community gardens, schools, City parks and other City departments to help keep our City beautiful and encourage community involvement. Our regulatory community quite often uses the Wastewater facility in tours for potential “this is how it is done” composting operation. He announced a free community giveaway day this Saturday May 5, 2018 at the compost facility at 3500 Julia Avenue. It will be a self-serve event.

DISCUSSION: Councilmember Gookin asked if the city sells the compost. Mr. Anderson confirmed that some revenue comes in from sales and estimated it to be \$30,000 each year. Councilmember McEvers noted that during the Public Works subcommittee meeting, he said that he felt that since they were looking to add on to the site it was important to review the costs versus outlay before the making an additional investment. Councilmember English said he appreciated the background of costs, but felt that even if the city breaks even it is good for the City to be able to control its destiny rather than being at the control of contractors. Councilmember Edinger asked how long the City has been selling the compost. Mr. Anderson assumed they have been selling it since the 1980s. Councilmember Miller asked what other municipalities are doing with their biosolids. Mr. Anderson explained that other cities are concerned about what to do with their biosolids if their current methods failed. He noted that while the City would be able to handle other cities’ biosolids technically, it would not be in the best interest of the City to do it outside of an emergency. Mr. Anderson explained that the City uses an anaerobic digestion process, which makes a difference in odor, and this process is not used by other cities. Councilmember Miller noted that Mr. Anderson made a presentation at the Rotary Club recently and he did a great job and it was well-received.

RESOLUTION NO. 18-026

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH J-U-B ENGINEERS FOR THE DESIGN OF COMPOST FACILITY IMPROVEMENTS.

STAFF REPORT: Mr. Anderson requested that Council approve an agreement with J-U-B Engineers for Professional Services for the design of improvements to the City of Coeur d'Alene Compost facility. He noted in his staff report that due to the increased flows and solids coming into the City’s Advanced Wastewater Treatment Facility, the volume of bio-solids to be disposed at the Compost Facility has increased. The need for the proposed improvements to accommodate and process the increased volume of bio-solids was identified in the Compost Facility Site Visit and Evaluation, August 2017 report by J-U-B Engineers. As a part of this report, the design and construction of another building to process additional compost beds was identified as the top priority. Funds for this proposed professional services agreement are available in the Wastewater Operating Fund in, and the agreement is for the amount is Sixty-Seven Thousand One Hundred Eighty dollars (\$67,180.00).

DISCUSSION: Councilmember Gookin asked for clarification as to why it would cost \$67,000 for a design of a three-sided building. Mr. Anderson explained that it is a specialized design, in that it should be designed for future expansion and it needs to include the in-ground aeration system. Councilmember Gookin asked how much was budgeted for the construction and design. Mr. Anderson noted that there was approximately \$500,000 budgeted.

MOTION: Motion by Edinger, seconded by Miller to approve **Resolution No. 18-026**, Approval of a Professional Services Agreement with J-U-B Engineers for the Design of Compost Facility Improvements.

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

INTRODUCTION OF THE MOBILITIE, LLC. FRANCHISE AGREEMENT AND SETTING OF A PUBLIC HEARING FOR JUNE 5, 2018.

STAFF REPORT: City Attorney Mike Gridley explained that Mobilitie has approached the City to obtain a franchise agreement that would allow it to construct and maintain a telecommunications system in the city's rights of way. The requirements of the proposed franchise agreement with Mobilitie are similar to those in other city franchise agreements with Intermax, Fatbeam, Time-Warner and Avista. The proposed franchise would be a 10-year term. The financial impact would be similar to other franchise agreements. In exchange for the use of the city's rights of way, Mobilitie will pay to the City five percent (5%) of its annual gross revenues derived from the operation of its telecommunications system to provide telecommunication services in the City. There would be some staff time involved in reviewing the location of their facilities and issuing building permits as the system is constructed. This would probably not be a significant financial impact.

MOTION: Motion by Gookin, seconded by McEvers, to set a June 5, 2018 public hearing for the consideration of a franchise agreement with Mobilitie. **Motion Carried.**

(LEGISLATIVE) PUBLIC HEARING TO DECLARE PROPERTY LOCATED AT 601 W. NEIDER AVENUE AS SURPLUS, AND SETTING MINIMUM VALUE OF \$40,000.

STAFF REPORT: Assistant Water Superintendent Kyle Marine explained that the Water Department fund owns a .825-acre parcel, or 35,937 sf, that originally was the site of a proposed future well. A test well was drilled there in 2000 to determine whether it would be a possible location for a future well site. Unfortunately, soil conditions within this portion of the aquifer contain very fine sand that would require as a minimum a complicated sand filter and due to the fine sand, a considerably reduced yield, making a future well site here not practical. The property has sat vacant since that time. The lot does have street frontage access onto Fruitland Lane and is zoned MH-8. It has an existing water service on the Neider frontage, a sewer service on the Fruitland frontage as well as a 6" test well. The property brings no revenue into the fund and is a liability. Staff would propose setting the starting bid to meet the costs of the sale, estimated to be

\$40,000. This is the same as the “place holder” value put on the property by the County assessor.

DISCUSSION: Councilmember McEvers asked if a formal appraisal would be required. Mr. Marine confirmed that they have completed an appraisal and it had a market value of \$40,000; however, the County website has it valued a bit higher. Councilmember McEvers asked what is the cost to drill a test well. Mr. Marine noted it costs about \$38,000 to do a test drill. He also confirmed that the abutting property owners have been notified, as he placed a notice on the property. Councilmember English noted that he wanted staff to look at ways to use the property as low- income housing, and would like staff to be creative as he thinks the property could accommodate up to three units. Mr. Marine explained that the water utility purchased the site, so the General Fund would have to invest \$40,000 to pay the water utility back. Mayor Widmyer noted that the City would send notices to the non-profits of the sale opportunity through the CDBG email listing. Municipal Services Director noted that CDBG funds cannot be used for land banking; however, a community grant can be applied for a non-profit seeking to do a low-income-benefiting project.

PUBLIC COMMENTS:

James Haster, Coeur d’Alene, noted that he was the Executive Director of the North Idaho Habitat for Humanity, and felt that the parcel being available in Coeur d’Alene would be beneficial to nonprofits to have an option to bid prior to opening it up to the general population. He noted that Habitat for Humanity would love to have access to the parcel at a reasonable cost slightly below market value.

Public comment was closed.

Mayor Widmyer noted that the City has to follow Idaho Code rules regarding property surplus and disposition.

RESOLUTION NO. 18-027

A RESOLUTION OF THE CITY OF COEUR D’ALENE, KOOTENAI COUNTY, IDAHO, DECLARING THAT REAL PROPERTY LOCATED AT 601 W. NEIDER AVENUE, COEUR D’ALENE, IDAHO, IS NOT BEING USED FOR PUBLIC PURPOSES AND THAT IT SHOULD BE DEEMED SURPLUS; SETTING A MINIMUM PRICE OF \$40,000 FOR THE PROPERTY; AND AUTHORIZING THE SALE OF THE PROPERTY AT PUBLIC AUCTION.

MOTION: Motion by Gookin, seconded by English to approve **Resolution No. 18-027**, declaring property Located at 601 W. Neider Avenue as Surplus, and setting a minimum value of \$40,000.

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

Motion by Gookin, seconded by McEvers to enter into Executive Session pursuant to Idaho Code 74-206 Section (c), to acquire an interest in real property, which is not owned by a public agency.

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

The City Council entered into Executive Session at 7:15 p.m. Those present were the Mayor, City Council, City Administrator, and City Attorney. Council returned to regular session at 7:48 p.m.

RECESS: Motion by English, seconded by Gookin to recess to May 9, 2018 for a City Strategic Planning Workshop at Noon in the Library Community Room. **Motion carried.**

The meeting recessed at 7:48 p.m.

ATTEST:

Steve Widmyer, Mayor

Renata McLeod, CMC, City Clerk