



# Coeur d'Alene

## CITY COUNCIL MEETING

*July 1, 2008*

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**MEMBERS OF THE CITY COUNCIL:**

**Sandi Bloem, Mayor**

**Councilmen Edinger, Goodlander, McEvers, Bruning, Hassell, Kennedy**

MINUTES OF A REGULAR MEETING OF THE CITY  
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,  
HELD AT THE LIBRARY COMMUNITY ROOM,  
JUNE 17, 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 Library, June 17, 2008 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

|                   |   |                            |
|-------------------|---|----------------------------|
| Al Hassell        | ) | Members of Council Present |
| Woody McEvers     | ) |                            |
| Mike Kennedy      | ) |                            |
| John Bruning      | ) |                            |
| Deanna Goodlander | ) |                            |
| Loren Ron Edinger | ) |                            |

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

**INVOCATION** was led by Reverend Paul Peabody, Grace Bible Church.

**PLEDGE OF ALLEGIANCE:** Councilman Edinger led the pledge of allegiance.

**PRESENTATIONS:**

PRESENTATION TO SCHOOL SUPERINTENDENT HARRY AMEND: Mayor Bloem presented a plaque to Harry Amend, retiring School District 271 Superintendent, for his years of service to the community.

PRESENTATION - MUDGY AND MILLIE: Susan Nipp, author and Library Foundation member, updated the Council on the progress that has been made on the Mudgy and Millie project. She reminded the Council that any proceeds from the sale of the book go to the Library Foundation. Terry Lee, artist/sculptor, described the process he used to create the statues of Mudgy and Millie that will be placed throughout the downtown area. He announced that the statues will be placed in late August. Ruth Pratt announced that the ribbon cutting is scheduled for September 13<sup>th</sup>.

**PUBLIC COMMENTS:**

SMART GROWTH: Rachel Winer, Boise Idaho, representing Smart Growth, presented the purpose of her organization and invited the public to review her organization at [www.Idahosmartgrowth.org](http://www.Idahosmartgrowth.org) Councilman Kennedy noted that today at a noon meeting Rachel explained the resources her organization could offer the city.

LCDC FUNDING: Harold Hocker, 1413 E. Spokane, expressed his disappointment with LCDC because the increased tax revenue from improvements made by LCDC goes back into the LCDC fund. He believes after speaking with Chief Longo that the additional taxes should be going to the Police Department instead. He also voiced his concern regarding the number of people with Washington auto plates that live in Coeur d'Alene.

UNIVERSITY OF IDAHO LEASE OF HARBOR CENTER:

Mary Souza, 4153 Fairway Drive, Coeur d'Alene, spoke in opposition to leasing the Harbor Center to the University of Idaho without the City holding a general election to vote on this lease and requested that she be a part of this process. She also requested that the City Council hold a public hearing prior to leasing this property.

Susan Snedaker, 821 Hastings, Coeur d'Alene, expressed her anger that the City had not disclosed to her the reason for the elimination of the Harbor Center PUD which made way for the University of Idaho leasing the facility several years ago. She asked that the City Council table the lease of Harbor Center.

Mic Armon, 2735 Packsaddle Road, Coeur d'Alene, North Idaho College Board member, reported that North Idaho College and the University of Idaho have had a long standing relationship for continuing education for the students in Kootenai County. He believes that the Higher Education Corridor will benefit not only today's students but future generations of Kootenai County residents. He believes that the proposed long-term lease is essential in continuing the vision of the education corridor.

Larry Brannon, Assoc. Vice President, University of Idaho, 2018 W. Bellereve, Coeur d'Alene, thanked the City and the people who had the vision of the Education Corridor. He noted that this vision was first discussed over twenty-five years ago and in 2002 when the University of Idaho moved into the Harbor Center facility, the vision was beginning to be realized. He noted that over 30 graduate programs are now offered at this facility. He reported that the University of Idaho has analyzed this location over several years and the conclusion was reached that being based next to North Idaho College provides many more opportunities that are available at this location than another site. He noted that the University of Idaho has been in Coeur d'Alene since 1920 with extension classes. He further explained that being next to the Wastewater Treatment Facility will provide a rare educational opportunity due to the state-of-the-art wastewater treatment at this facility. Councilman Kennedy asked how the University of Idaho works with Lewis Clark State College (LCSC). Mr. Brannon responded that LCSC is also a partner in the education corridor in providing certain incentive programs that differ from University of Idaho's but by using the same facilities they can combine these programs.

Ann Seddon, 2477 W. Hollow Loop Rd., county resident, predicted that Kootenai County residents will rebel against North Idaho College (NIC) and the City of Coeur d'Alene. She believes that the actions of NIC and the City will adversely affect the children and that the county residents will no longer see NIC as a community college but rather a Coeur d'Alene City College and therefore it should just be the residents of the city that pay for the higher education corridor. She urged the Council to "put the breaks" on this

project and have the voters decide if they want this expansion at North Idaho College.

David Barger, 530 W. Harrison, believes that this is a wonderful opportunity for the community to create something that will last for generations to come but believes that the community needs to be informed of the all the facts regarding this expansion.

Rick Seward, 1315 N. Hill Dr., county resident, asked what the ripple effect would be with this lease agreement with the University of Idaho? He doesn't believe that Idaho has enough jobs for everyone who comes out of college. He noted that when he was a Marine recruiter in Southern California he had an individual with a doctoral thesis that wanted to join the marines because he couldn't get a job with his doctoral degree.

Marlie Shaw, 2906 E. Fernan Hill Road, moved here eight years ago from California, and spoke in opposition to the lease agreement with the University of Idaho. She believes that the Council should make better business decisions and needs to develop a business plan prior to leasing city property. She believes that the City needs to get the details and the City "needs to get a grip".

J. R. Seaman, 1713 Mullan Avenue, Coeur d'Alene, believes that the City Council was elected to make decisions for the citizens of Coeur d'Alene. He noted that the lifetime income of individuals increases with the more education they receive. He believes that education is a marvelous investment and a long-term lease is needed to accomplish this. He noted that 40 people have received their Masters degree through the University of Idaho in Coeur d'Alene while maintaining their full-time jobs in the City. He urged the Council to take the necessary action to make an investment in future generations.

Chris Copstead, 502 N. 20<sup>th</sup> Street, Coeur d'Alene, thanked the Mayor and Council for proceeding with the vision of the Education Corridor and their partnership with the University of Idaho and the Osprey property. He believes that this is the best use of this property. He noted that many comments made tonight are narrow minded and believes that respect needs to be a part of this process.

Joyce Seward, 1315 N. Hill Dr., county resident, noted that just because the people elected the Council doesn't mean that they can do anything they want and admonished the Council that they must listen to the public. She questioned the amount of the lease and not increasing the amount every twenty-five years.

**CONSENT CALENDAR:** Motion by Kennedy seconded by McEvers to approve the Consent Calendar as presented including having staff to confirm that the space between the mobile food concession requested by Nana's Conneys and the light standard meets city code.

1. Approval of minutes for June 3, 2008.
2. Setting General Services Committee and Public Works Committee meetings for June 23rd at 12:00 noon and 4:00 p.m. respectively.
3. RESOLUTION 08-037: 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 DECLARATION OF SURPLUS PROPERTY WITH ZERO VALUE - COMPUTER HARDWARE; APPROVAL OF AN AGREEMENT WITH THE IDAHO TRANSPORTATION DEPARTMENT FOR CD'A FIRE DEPARTMENT PROTECTION ON U.S. 95 RIGHT-OF-WAY; APPROVAL OF A EQUIPMENT RENTAL AGREEMENT RENEWAL WITH THE IDAHO DEPARTMENT OF LANDS FOR USE OF CD'A FIRE DEPARTMENT EQUIPMENT; APPROVAL OF AN OUTDOOR EATING FACILITY ENCROACHMENT AGREEMENT FOR MANA'S CONEYS, INC. AT 206 N. 4<sup>TH</sup> STREET; APPROVAL OF S-3-08 – FINAL PLAT, SUBDIVISION AGREEMENT & SECURITY APPROVAL FOR THE COTTAGES ON GOVERNMENT WAY AND ACCEPTANCE OF IMPROVEMENTS, INSTALLATION OF MAINTENANCE / WARRANTY AGREEMENT AND SECURITY FOR MEADOW RANCH SUBDIVISION

4. Authorizing staff to proceed with negotiation a Landscape Enhancement Project Agreement with ITD for Kootenai Medical Center.
5. Approval of two mobile food permits for Nana's Coneys, Inc. at 206 N. 4th.
6. Approval of beer/wine license for D'Mouse Trap at 628 W. Appleway
7. Approval of bills as submitted and on file in the City Clerks Office

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

#### **COUNCIL COMMENTS:**

COUNCILMAN EDINGER: Councilman Edinger announced that this Thursday from 5-7:30 p.m. Scott Reed will hold a book signing in Library Community Room

COUNCILMAN HASSSELL: Councilman Hassell reminded residents that this Sunday is Ironman and urged residents to look at the maps on the City's web site at [www.cdavid.org](http://www.cdavid.org) for street closures during this event.

COUNCILMAN GOODLANDER: Councilman Goodlander reminded everyone that there are a lot of visitors to our town with the Ironman Event and asked residents to be more aware and cautious of the bicyclists.

#### **APPOINTMENT - ARTS COMMISSION AND PARKING COMMISSION:**

Motion by Goodlander, seconded by Hassell to re-appoint Joshua Copper, student representative, to the Arts Commission and to appoint John J. Williams to the Parking Commission. Motion carried.

**ADMINISTRATORS REPORT:** Wendy Gabriel, City Administrator, invited the public to another Higher Education Corridor meeting on July 10<sup>th</sup> at 5:30 p.m. in the Library Community Room to review the proposed plan. She announced that with the Ironman event street closures will occur beginning tomorrow with the closure of Sherman Avenue from 1<sup>st</sup> to 2<sup>nd</sup> Street as well as the 3<sup>rd</sup> Street parking lot. Kudos to the Sunshine Meadows Park tree planting event that was held with 43 trees being planted. Kudos also to the Recreation Department who hosted several baseball tournaments this past month with over 50 girls baseball teams participating in the various tournaments. She also gave

kudos to the Parks Dept. crew for cleaning up the City's shoreline after the recent flooding. She also complimented the Parks Department for the painting of checkerboards on the seawall.

#### RESOLUTION NO. 08-038

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO APPROVING A SITE LEASE AND ACQUISITION AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF IDAHO, FOR PREMISES AT HARBOR CENTER AS DESCRIBED IN EXHIBIT "1".

STAFF REPORT: City Administrator Wendy Gabriel, presented the lease with the University of Idaho (U of I) which will allow the U of I to expand their programs which would include training in conjunction with the Wastewater Treatment Plant as a Resource Center. She noted that if the mill site is not acquired, the U of I will expand their programs at the Harbor Center building site and construct the facility needed by the University of Idaho. Mrs. Gabriel recounted that before 1999 stakeholders formed a committee who had begun to meet with the owners of the mill site for possible higher education corridor expansion. In September, 2000 this committee was informed that the purchase price would be \$10,000,000. In August, 2001 a Memorandum of Understanding (MOU) was executed between the U of I, NIC and the City that assured the residents of Northern Idaho will have access to higher education. At that time it was agreed that the Harbor Center site would be provided to the U of I. On May 23, 2002 another MOU was signed by the U of I, LCDC and the City, including the Bureau of Land Management, Burlington Northern Railroad and LCSC to acquire real property between NW Blvd. and the river where the higher education corridor was to be established. This again was done at a public meeting where the public had an opportunity to provide input. In 2005, acquisition of a portion of the mill site was discussed at a council meeting again where the public had an opportunity to give input. In 2006, another MOU was signed that reiterated the City's commitment to the higher education corridor and the purchase of property for \$1.3 million dollars. At that time, the University of Idaho agreed to purchase this property from the City for this amount.

Mrs. Gabriel reported that tonight's proposed lease provides for the continued presence of U of I in North Idaho. In response to Ms. Shaw's comments, the Mayors of North Idaho jointly sent a letter to the Governor in support of the higher education corridor at this site. She added that the City's Comprehensive Plan, after many public meetings and public input, was adopted and this document also provides for the higher education corridor at this site. She added that in 2002, a program called Vision 2020 was initiated, which was comprised of a group of citizens, who were asked to compile the vision of our community. The Vision 2020 document included the education corridor and noted that by providing this corridor all the colleges could co-locate a campus that could provide for the construction of combined-use buildings such as one Library, one student union building. She noted that North Idaho College could not legally sell their current

site for the purchase of another site. She reported on the economic benefits to the region with the creation of the education corridor.

Councilman Kennedy asked about the existing leases and encumbrances regarding the Union Pacific Railroad and what effect would this have on the lease. City Attorney Mike Gridley noted that the City purchased the property; however, as long as the railroad is a working railroad they have a right of access to this property.

Councilman McEvers asked Mrs. Gabriel to further explain the development. She responded that if this property was developed as an education corridor it outweighed the development of the property into commercial property by \$24,000,000. Councilman McEvers also asked the history of how this property was purchased. Mrs. Gabriel responded that the City purchased a portion of the subject property for expansion of the WWTP. Then when the Harbor Center property was in foreclosure in 1991, it was determined that it would be best for the city to purchase this property for possible future expansion. She noted that by purchasing this property the City got the land for the WWTP expansion and also knew who their neighbors were. The reason for the lease agreement is because when the mill site is acquired the lease gives the U of I and the City more flexibility. Additionally, the U of I is planning to construct a \$24,000,000 building with a \$24,000,000 match and you would not want to build such a structure without a long term lease. She noted that there is a positive economic impact for the 5 northern counties and not just for the City.

Councilman McEvers noted that one of the public comments was that the county residents pay for the college but it is a state institution and thus asked do the tax payers pay more money for this lease. Mayor Bloem noted that there is no additional tax burden to the county taxpayers for the lease of this property. The question is if the U of I grows will there be additional burden on the county taxpayers – she responded that as this campus grows the colleges, would construct buildings as needed with a combination of dollars. She responded that taxpayers will not have to pay more taxes for a state institution. What the taxpayers are doing is providing the land for this higher education corridor. In response to the lease, the U of I will have the building for 99 years but the City maintains ownership of the land.

Councilman Hassell noted that there is a need for a bus route that will connect the college to outlying communities such as Sandpoint.

Councilman Edinger asked if this 99 year lease for \$1.3 million could be changed to ask for periodic increases in lease money. Mrs. Gabriel noted that the U of I needs a 99 year lease in order to construct the facilities needed. She noted that the original MOU had the City conveying this property to the U of I without any consideration of money.

Councilman Edinger also asked what the rush was in getting this lease passed but noted there is a State Board of Education meeting this Thursday. He commented that although the public has had opportunities to comment on the higher education corridor in the past, it seems that all of a sudden the public is saying they had no opportunity to comment.

Mrs. Gabriel responded that the original lease was for 5 years with the understanding at the end of those 5 years the City would negotiate a long-term lease. The five years is now at an end and this is a lease that, as with all other leases, the City negotiates and then presents the leases to the Council for consideration. Councilman Edinger noted that there is no cost to the City for leasing this building to the City. Mrs. Gabriel responded that there is actually a cost avoidance for the City in that the maintenance of this building is the responsibility of the U of I including its surrounding land.

Councilman McEvers noted that some public comments noted that there is no value to higher education. Mrs. Gabriel noted that on an average a student that receives a college degree earns \$9,000 more per year.

MOTION: Motion by Kennedy, seconded by Goodlander to adopt Resolution 08-038.

COUNCIL DISCUSSION: Councilman Bruning commented that the Comprehensive Plan notes that the City recognizes the expansion and growth of the higher education corridor. He added that the Comprehensive Plan had several public meetings and thus the public had ample opportunity to discuss the issue. He added that as a father of a Registered Nurse there is a desperate need for trained nurses and so there is a tremendous need for trained health care workers and this education corridor can provide the needed facilities to provide this training.

Councilman Kennedy expressed his commitment to manage growth, protect our children and provide quality education for our children and believes that this higher education corridor fits all these criteria. He also noted that the comments inferring that Scott Reed's message in his new book of Tubbs Hill is to stop this higher education corridor is erroneous. He noted that one young woman asked him to make sure this higher education is accomplished.

Councilman Edinger commented that the people who had the vision for such projects as the Kroc Center, the Library, McEuen Field, or Tubbs Hill did these projects for the benefit of all citizens of this community and if we didn't have these visionary people our community would not be what it is today.

Motion by Hassell to amend the main motion to change Section 5.4 of the lease to read that at the end of this term this lease would be re-negotiated instead of entitled to be extended. Mr. Brannon noted that if there is a change in the wording in the lease, the U of I Board would not be able to act on this lease at their next meeting. He noted that the second 99-year lease only happens if they do not move to the mill site. Motion died for a lack of a second.

Councilman Goodlander asked residents to consider that it is a benefit and an opportunity to provide higher education to our area residents and this corridor would be an economic engine that would not only provide jobs but would provide an opportunity for better jobs.



Councilman Edinger called for the question. Motion carried.

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

Councilman McEvers commented that when he first became a Councilman he asked about the reasoning behind leasing this property to the U of I, but now he believes that this is a benefit and provides an opportunity to have people be able to get a college degree without having to pay not only for tuition but a place to live out of town.

Mayor Bloem applauded the Council for having vision and an understanding of the value of this lease.

**RECESS:** The mayor called for a recess at 8:35 p.m. The meeting reconvened at 8:43 p.m.

**RCA -10-08 - 1130 E. SKYLINE DRIVE:** Senior Planner John Stamsos presented a request for consideration of annexation from Steven B. Meyer for approximately a 2.7 acre site at 1130 East Skyline Drive.

Mr. Stamsos reported that this property is within the Area of City Impact and had a land use designation of Stable Established and is within the Cherry Hill area. He noted that the City sewer is not currently available however water service is to the property line.

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

Motion by Hassell, seconded by Goodlander to authorize the applicant to proceed with the annexation application process for 1130 E. Skyline Drive.

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

**RCA-11-08 - 5225 AND 5245 N. 15TH STREET:** Senior Planner John Stamsos presented a request for consideration of annexation from William and Bonnie Willoughby for two parcels of approximately .64 acre at 5225 and 5245 N. 15th Street.

Mr. Stamsos reported that the two parcels are within the Area of City Impact. He noted that this request would be a logical annexation as these parcels are an "island" surrounded by the City of Coeur d'Alene. Mr. Stamsos added that the City Council recently approved an agreement with the applicants to allow them to hook up to the sewer system because their septic system had failed and the health district required that they hook up to the public sewer system. The agreement allowed the applicants to immediately hook up to the City sewer system but required that they complete the annexation process at the City's request.

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

Motion by Hassell, seconded by Edinger to authorize the applicants to proceed with the annexation process for 5225 and 5245 N. 15th Street.

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

**PUBLIC HEARING - A-2-08 - ANNEXATION AND ZONING OF PROPERTY LOCATED AT 2212 W. PRAIRIE AVENUE:** Mayor Bloem read the rules of order for this legislative public hearing. Senior Planner John Stamsos gave the staff report.

Mr. Stamsos reported that the applicant is Meckel Engineering and Surveying, on behalf of owner Christopher Acarregui, the area or request is a 9.4 acre parcel located at 2212 W. Prairie Avenue and the request is for annexation with an R-8 zoning. He noted that on March 13, 2008, the Planning Commission held a public hearing on this request and recommended approval.

Mr. Stamsos went on to give the staff analyses for land use, zoning, Comprehensive Plan, utilities, traffic, and streets. Mr. Stamsos commented that water service is provided by the Hayden Lake Irrigation District. On May 30, 2008, 97 notices of tonight's public hearing were mailed with a total of 6 responses being received - 1 in favor, 2 opposed, and 3 neutral. Written comments were distributed for Council consideration.

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

Councilman McEvers asked what is contained in an R-8 zoning. Mr. Stamsos responded that 8 units per acre are allowed. He added that the subdivision plan will be reviewed by the Planning Commission when the applicant submits their plans for this site. He did note that duplexes can be constructed in an R-8 zone. Councilman Bruning noted that when this was presented to the Planning Commission the applicant stated that they were going to construct single-family dwelling units.

Motion by Hassell, seconded by Bruning to approve the annexation and requested zoning for 2212 W. Prairie Avenue, to adopt the Findings and Order of the Planning Commission.

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

**EXECUTIVE SESSION:** Motion by Hassell, seconded by McEvers to enter into Executive Session as provided by I.C. 67-2345, SUBSECTION C: To conduct deliberations concerning labor negotiations or to acquire an interest in real property, which is not owned by a public agency; and SUBSECTION J: To engage in

communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement.

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

The Council met in Executive Session at 9:07 p.m. Those present were the Mayor, City Council, City Administrator, and City Attorney.

Matters discussed were those of litigation. No action was taken and the City Council returned to their regular session at 9:23 p.m.

**ADJOURNMENT:** Motion by Edinger, seconded by Kennedy to recess this meeting to June 18, 2008 at 7:00 a.m. for a joint City Council/County Commissioner meeting at the Breakfast Nook. Motion carried.

The meeting recessed at 9:23 p.m.

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Sandi Bloem, Mayor

ATTEST:

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Susan K. Weathers, CMC  
City Clerk

**A JOINT MEETING OF THE  
COEUR D'ALENE CITY COUNCIL  
AND KOOTENAI COUNTY BOARD OF COMMISSIONERS**

The City Council of the City of Coeur d'Alene met in continued session at the Breakfast Nook on June 18, 2008 at 7:00 a.m. there being present upon roll call a quorum

Mayor Sandi Bloem

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

STAFF: Susan Weathers, Wendy Gabriel, Troy Tymesen, Doug Eastwood.

|             |   |                                  |
|-------------|---|----------------------------------|
| Rick Currie | ) | Members of Commissioners Present |
| Todd Tondee | ) |                                  |
| Rich Piazza | ) |                                  |

Staff: Sandy Maitland.

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

**NORTH IDAHO WATER ADJUDICATION:** Councilman Kennedy reported that Bob Haynes from the State Water Resources Dept. explained that the process starts with a commencement order from the Governor which should be received by June 30th. He noted that the State will then start receiving claims beginning in Sept. for a year. People can then contest any claim(s) which will then have them go to trial. He foresees a judge coming to north Idaho for this process. Councilman Kennedy reported that Bruce Smith from Boise has been retained as the city's legal representative. Attorney Smith believes that many claims will be contested. If a claim is uncontested, the Water Resource Dept. will forward them to the court for public comments and then the judge will determine they are uncontested and the claim will be moved through. The City feels that there is a need for their water claims to be adjudicated due to recent comments regarding water resources arising out of Spokane, Washington. Councilman Kennedy announced that Deputy City Attorney Jennifer Tinkey has been assigned to this process for the City as well.

Commissioner Tondee asked how many claims will come from residents inside the City. Councilman Kennedy responded that there are a lot of people who have retained their water rights even though they are on City water. Attorney Bruce Smith also believes that there are a lot of wells in the City that may have claims filed by the residents within the City. Commissioner Currie noted that the County is not in the water business but they are

in support of water adjudication although there are a number of reasons of concerns: 1st, it is moving too fast; 2nd, who does the State have handing this process; 3rd, the fear is once we determine how much water we are using that a neighboring state will lay claim to the rest of the water which is a major concern of Kootenai County, and; 4th, who is going to pay for it. He foresees some major checks being written for this process. In spite of these concerns he reiterated that Kootenai County is in favor of the adjudication. Councilman Kennedy responded that the worst case scenario would be to have the water rights determined in Federal Court vs. by the State of Idaho. He added that adjudication also takes into account future growth. City Administrator Wendy Gabriel also noted that if you join in the adjudication process now there is a nominal cost of \$50.00; however, if you wait and join in later the cost could be considerably more. Commissioner Tondee encouraged anyone who has water wells to do the adjudication process.

**AREA OF CITY IMPACT AMENDMENTS:** City Administrator Wendy Gabriel reported that the City is looking at two areas for amending Coeur d'Alene's Area of City Impact (ACI). The first is removing the conservation easement property owned by Wes Hansen from the Area of City Impact and then add a portion of the Mill River property that has been annexed into the City and thus needs to be added to the Area of City Impact. Commissioner Piazza questioned why the City would want to add property to their Area of City Impact when it is already annexed into the City since once the property is annexed it no longer falls within the ACI jurisdiction. Commissioner Currie noted that whatever the attorneys determine is how they will handle this issue.

**IMPACT FEES:** City Finance Director Troy Tymesen asked what the plan is for collecting impact fees for the highway districts. Commissioner Tondee explained that the various highway district and city street departments need to notify the County of their desire and need collect impact fees and then the city will need to determine what is justified within their jurisdiction. An example is if the County comes and asks for an EMS fee, the County would then ask the City to collect the fees and then send the funds to the EMS Board. In other words each district/entity would need to request collection of impact fees from each city and then the city is required to collect the fees and forward the payment to the requesting entity. Commissioner Tondee added that since highway districts do not service city roadways he does not see where they would be justified in asking for the collection of fees within the city of Coeur d'Alene. As for fire districts - the city has their own department so they would not be asked to collect fees for that service. As for the jail and county parks, the County will be asking cities to collect impact fees for these services although they may be adjusted due to the city having their own parks. The County Planning and Zoning Board has already approved amendments to the Comprehensive Plan to institute the collection of impact fees. Councilman Hassell commented that one issue is that City residents would be paying impact fees for police and fire in the county when they are already paying impact fees for police and fire within the city. Commissioner Currie responded that that is why their proposal must come to the City Council for their decision. Commissioner Tondee asked the City to consider what the citizens of Coeur d'Alene utilize such as county roadways and County parks/boat launches. Councilman Kennedy asked about county people coming into the city to use our facilities. Commissioner Piazza agreed that this is an issue in that both county

residents use city services and city residents use county services. Councilman McEvers noted that impact fees are a one-time fee for new construction so it does not impact everyone in the City at once. Councilman Edinger asked if they County had talked with the highway districts. Commissioner Tondee responded that they have explained to the Highway district what they need to do. Commissioner Currie noted that the County is the mechanism by which highway districts can collect impact fees. City Administrator Gabriel asked if the entities were required to complete a study to determine their need. Commissioner Tondee responded that they entities have completed their capital improvement plans. He added that some of the plans were very aggressive and so the County will be determining what is reasonable. Commissioner Currie noted that over 20 entities could be considered for impact fees. But today it is down to 14 entities. Finance Director Troy Tymesen asked what the timeline is for the implementation. Commissioner Tondee responded that he is in the process of setting up meetings to determine what impact fees they believe would be reasonable to collect and then he would negotiate an agreement with each entity. Councilman Edinger asked if this is double taxation for City residents since they already pay impact fees for these services. He recalled, several years ago, when the county had asked the City to participate in the construction of a correctional facility and then the County wanted to have the city pay rent to use it. Commissioner Tondee believes that this would not be double taxation in that the impact fees are being used for different roadways. Commissioner Piazza commented that several counties are beginning the process of implementing these impact fees. Finance Director Tymesen commented that the City's population is 1/3 of the entire population of the County and the City has 4 highway districts abutting the City. Commissioner Tondee noted that the City would need to go through the capital improvement plans to see what projects affect the roadways of the city, as an example a project in the Athol area is something that they city of Cd'A would not need to collect impact fees for. He added that he had the Capital Improvement plans for each entity and he will provide Mr. Tymesen with a copy so he can determine what projects the city should collect impact fees for. Commissioner Tondee noted that even if impact fees are not collected, there is a capital improvement plan for each entity that can collect these fees.

**DOG PARK:** Parks Director Doug Eastwood reported that residents next to the dog park were invited to meetings to discuss the proposed plans for this park. Mr. Eastwood presented the site plan for the dog park which has been scaled back to 4 acres. One issue expressed by the residents is that there be more than just one access road to this park area and so additional access can be planned. Mr. Eastwood added that it was suggested that a small section be dedicated to older and small dogs which has been done. This is also an area that could be used for obedience classes. An interaction area has been designed where someone wanting to adopt a pet from the Humane Society could take the dog to this area to see how it interacts. Mr. Eastwood added that later in July, there will be public hearings for this project. He explained that a walking dog path is quite expensive so only a small path will be provided which meets ADA requirements for accessibility to the park. He noted that at this time fencing will not be constructed in order to split the park in half but the sprinkler system will be constructed to accommodate the eventual splitting of the park with fencing. This is so the overall park land would have the

opportunity rest and recover from use. In regard to the location of the animal shelter, Phil Morgan from the Kootenai Humane Society has assured the residents that the noise is not an issue as the building will be constructed to mitigate the noise. Mr. Eastwood confirmed that the residents in this neighborhood see the benefit of this park. As for pet owners policing their dogs, Doug reported that dog parks are self policing in that if you don't clean up after your dog, the other dog owners will remind you to do so.

The time frame for the completion of this park is next summer. Mr. Eastwood requested assistance from the County for dirt and use of heavy equipment. The proposed amount for the Dog Park is \$436,050; however, if there is participation of both City and County crews with in-kind service this amount could be reduced. He did note that since this is over the old landfill, the city needs fill dirt in order to plant trees. Thus he also requested in-kind participation from the county in the form of dirt (both fill and top soil). Commissioner Tondee responded that the County might have some top soil and possibly fill dirt. Commissioner Piazza suggested that Mr. Eastwood contact the supervisors of the landfill and the airport to see what assistance they can provide. Mr. Eastwood also requested help from the County in hauling the dirt from the landfill/airport to the proposed dog park site.

Councilman McEvers asked if there is going to be fencing. Mr. Eastwood responded that he is currently looking at different products for fencing. In regard to the methane gas being used to heat the animal shelter, Commissioner Currie noted that there is not enough methane gas at the landfill to make this feasible. Mr. Eastwood also noted that the City and County should probably enter into a use agreement for the use of this property for a dog park and animal shelter.

#### **ROUND TABLE:**

PROPERTY PURCHASED BY COUNTY: Commissioner Currie announced that Kootenai County will be purchasing some lakefront property in which the county will be constructing a new boat launch facility and park space. They will also be purchasing some property next to their launch facility in Spirit Lake. The facility at Spirit Lake has a residence on it and so the County is looking at the possibility of creating a day camp at that site.

POLITICAL SIGNS WITHIN THE CITY: Commissioner Currie asked about the City's sign ordinance. He asked about the political signs for Ron Paul. Susan Weathers explained that the code does provide for a certain amount of time that political signs are allowed which is generally 60 days prior to election but the signs must be taken down 4 days after election. She said that she will have her staff contact the Candidates political committee to remove any remaining signs in the City.

LOCAL OPTION SALES TAX FOR LICENSE PLATES VS. COUNTY JAIL FACILITY: Commissioner Currie reported that their legal staff is looking at the proposed local option sales tax for license plates as a ballot issue. He noted that the Commissioners are going to have to oppose this issue as they are planning on having a

jail initiative on the ballot. Even if the measure does not pass, he noted that some people are looking at the judicial validation process for the jail which would require the county to construct the jail and the property taxpayers would have to foot the bill. He noted that local option sales tax would provide for monies coming from outside sources (tourists) whereby judicial validation is only paid through property taxes. The local option sales tax also provides for revenues from this sales tax to go towards property tax relief.

Councilman Goodlander supports the jail measure even if we have to ask the highway districts to wait a year for their local option sales tax. Commissioner Tondee explained that the cost of transporting prisoners would be used to pay for additional staff if the jail expansion were completed.

CONSLIDATED HIGHWAY DISTRICTS: Councilman Goodlander asked about the consolidation of highway districts. Commissioner Currie reported that Concerned Business is looking at a study to consolidate highway districts. Commissioner Currie also reported that the last study basically said if it isn't broke, don't fix it. He added that Concerned Business is suggesting that by combining districts they could all share equipment, which he noted if one district needs a snow plow odds are the other districts need a snow plow at the same time - thus it is not feasible to say combining districts would save money by them sharing equipment.

COUNTY COURT HOLD BUILDING: Councilman Tondee announced that they are proceeding with the court hold facility and expressed his thanks to the City for working with the County for their cooperation in allowing the county to use a temporary facility.

Councilman Hassell highway district's license fee issue will probably come to the City Council at their next meeting. Commissioner Currie noted that Post Falls is leaning towards the Highway District's local option sales tax proposal vs. the jail expansion local options sales tax proposal. Commissioner Currie added that if the highway local option sales tax passes, the highway districts do not get most of the funding, the City of Coeur d'Alene would receive the lion's share of this sales tax. Councilman Goodlander commented that citizens need to determine the greatest need - jail vs. highway districts.

ADJOURNMENT: Motion by McEvers, seconded by Goodlander to adjourn this meeting. Motion carried.

The meeting adjourned at 8:45 a.m.

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Sandi Bloem, Mayor

ATTEST:

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Susan K. Weathers, CMC  
City Clerk



RESOLUTION NO. 08-039

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH PANHANDLE AREA COUNCIL FOR CDBG GRANT ADMINISTRATIVE SERVICES.

WHEREAS, the General Services Committee of the City of Coeur d'Alene has recommended that the City of Coeur d'Alene enter into a Professional Services Contract with Panhandle Area Council, for CDBG Grant Administrative Services pursuant to terms and conditions set forth in said contract, a copy of which is attached hereto as Exhibit "1" and by reference made a part hereof; and

WHEREAS, it is deemed to be in the best interests of the City of Coeur d'Alene and the citizens thereof to enter into such contract; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d'Alene that the City enter into a Contract for CDBG Grant Administrative Services, in substantially the form attached hereto as Exhibit "1" and incorporated herein by reference with the provision that the Mayor, City Administrator, and City Attorney are hereby authorized to modify said contract to the extent the substantive provisions of the contract remain intact.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk be and they are hereby authorized to execute such contract on behalf of the City.

DATED this 1<sup>st</sup> day of July, 2008.

\_\_\_\_\_  
Sandi Bloem, Mayor

ATTEST:

\_\_\_\_\_  
Susan K. Weathers, City Clerk

Motion by \_\_\_\_\_, Seconded by \_\_\_\_\_, to adopt the foregoing resolution.

ROLL CALL:

COUNCIL MEMBER GOODLANDER Voted \_\_\_\_\_

COUNCIL MEMBER MCEVERS Voted \_\_\_\_\_

COUNCIL MEMBER HASSELL Voted \_\_\_\_\_

COUNCIL MEMBER KENNEDY Voted \_\_\_\_\_

COUNCIL MEMBER BRUNING Voted \_\_\_\_\_

COUNCIL MEMBER EDINGER Voted \_\_\_\_\_

\_\_\_\_\_ was absent. Motion \_\_\_\_\_.

**GENERAL SERVICES COMMITTEE  
MEMORANDUM**

DATE: JUNE 18, 2008

FROM: RENATA MCLEOD, PROJECT COORDINATOR

RE: APPROVAL OF A CONTRACT WITH PANHANDLE AREA COUNCIL FOR  
GRANT ADMINISTRATION SERVICES.

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**DECISION POINT:**

- To authorize a Contract with Panhandle Area Council for grant administration professional services.

**HISTORY:** On October 24, 2007, the City sent out a request for proposal for grant administration services for the HUD allocation the City is anticipating in 2008 to three organizations. On December 4, 2008, the City approved a letter of Agreement with Panhandle Area Council (PAC) for grant administration services. At that time, staff stated that a formal Contract would follow after the December 10-13, 2007 HUD training was attended, so that the scope of work would included the appropriate terms and requirements necessary. Attached please find the formal Contract with PAC for grant administration services.

**FINANCIAL:** Payment for services will be \$30,000.00, payable from the CDBG funds received.

**PERFORMANCE ANALYSIS:** Authorizing this Contract will allow the City to move forward with various projects/activities outlined in the Consolidated Plan.

**DECISION POINT/RECOMMENDATION:**

- To authorize a Contract with Panhandle Area Council for grant administration professional services.

**PROFESSIONAL SERVICES CONTRACT**  
**between**  
**the City of Coeur d'Alene and Panhandle Area Council**  
**for the**  
**Coeur d'Alene CDBG Entitlement Program**

This Contract is entered into this 1<sup>st</sup> day of July, 2008, by and between the **City of Coeur d'Alene**, Idaho, herein referred to as CITY and **Panhandle Area Council**, 11100 N. Airport Drive, Hayden, Idaho, 83835, herein referred to as the "CONTRACTOR," Witnesseth:

**WHEREAS**, the CITY has applied for and received funds under Title I of the Housing and Community Development Act of 1974, from the U.S. Department of Housing and Urban Development (HUD) for housing and community development needs;

**WHEREAS**, the CITY desires to engage the CONTRACTOR to render certain services related to the administration of such funds; and

**WHEREAS**, in order to assure effective management of the above Program, it is deemed to be in the best interests of the CITY to enter into an agreement with the CONTRACTOR as hereinafter provided;

**NOW, THEREFORE**, the parties hereto do mutually agree as follows:

1. **EMPLOYMENT OF CONTRACTOR.** The CITY agrees to engage the CONTRACTOR, and the CONTRACTOR agrees to provide the services described in Attachment "A," to provide for grant administration and management of the Coeur d'Alene CDBG Entitlement Program for the CITY.

2. **EMPLOYEE-EMPLOYER RELATIONSHIP.** The contracting parties warrant by their signature that no employer-employee relationship is established between the CONTRACTOR and the CITY by the terms of this contract. It is understood by the parties hereto that the CONTRACTOR is an independent contractor and as such, neither it nor its employees, if any, are employees of the CITY for purposes of tax, retirement system, or social security (FICA) withholding.

3. **CONTRACTOR'S INSURANCE.** The CONTRACTOR warrants that it has obtained, and will maintain at its expense for the duration of this Contract, statutory worker's compensation coverage, employer's liability and comprehensive general liability insurance coverage for its principals and employees. The comprehensive general liability insurance shall have, at a minimum, a coverage limit of at least five hundred thousand dollars (\$500,000).

4. **STAFFING.** The CITY'S designated liaison with the CONTRACTOR is Renata McLeod, Project Coordinator. The CONTRACTOR'S primary designated liaison with the CITY for grant administration and management is Nelle Coler, Contracts Specialist and secondary is Kay Kitchel,

Fiscal Contracts Manager. Any changes in key personnel assigned or their general responsibilities under this Contract are subject to the prior approval of the CITY.

**5. EFFECTIVE DATE AND TIME OF PERFORMANCE.** This Contract takes effect on May 1, 2008 and shall end on April 30, 2009. The term of this Contract and the provisions herein may be extended to cover any additional time period required to perform work for close out or transfer of program to the City.

**6. PERFORMANCE MONITORING.** The City will monitor the performance of the Contractor against goals and performance standards as outlined in the scope of Services attached hereto as Attachment "A." Substandard performance as determined by the City will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Contractor within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

**7. SCOPE OF SERVICES.** The Administrative Scope of Services is as set forth in the ATTACHMENT "A," which by this reference is made a part hereof.

It is understood and agreed by the parties that the services of the CONTRACTOR do not include any of the following: the disbursement or accounting of funds distributed by the CITY'S financial officer, legal advice, fiscal audits or assistance with activities not related to the CDBG Program.

**7. COMPENSATION.** For satisfactory completion of administrative services to be provided under this Contract, the CITY will pay the CONTRACTOR a sum not to exceed \$30,000.00, which the CITY agrees to pay as follows:

- a) Upon written request, the CITY shall make monthly progress payments to the CONTRACTOR in the amount of \$2,500.00 up to 95% of the Contract amount. The CITY shall pay the final five percent (5%) of the Contract amount when all services are complete as determined by the CITY.
- b) Reimbursable expenses beyond the Administrative Scope of Work Budget shall be billed out at cost for the individual project activities which includes printing costs, classified/legal notices, special projects, mass mailings and out of region travel with prior approval of the City.

**9. ASSIGNABILITY OF CONTRACT.** The CONTRACTOR may not subcontract or assign its rights (including the right to compensation) or duties arising hereunder without the prior written consent of the CITY. Any subcontractor or assignee will be bound by all of the terms and conditions of this Contract.

**10. NOTICES.** Notices required by this Contract shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as described in this section shall be effective on the date of delivery or sending. All notices and other written communications under this Contract shall be

addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

**City of Coeur d' Alene**

Renata McLeod, Project Coordinator  
710 E. Mullan Ave.  
Coeur d' Alene, ID 83814  
208-666-5741  
208-769-2366

**Panhandle Area Council**

Kay Kitchel, Fiscal Contracts Mgr.  
11100 N. Airport Drive  
Hayden, Idaho 83835  
208-772-0584  
208- 772-6196

**11. TERMINATION OF CONTRACT.** This Contract may be terminated as follows:

- a) **Termination for Convenience.** This Contract may be terminated for convenience by either the CITY or the CONTRACTOR, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the CITY determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the CITY may terminate the award in its entirety
  
- b) **Termination for Cause.** If the CITY determines that the CONTRACTOR has failed to comply with the terms and conditions of this Contract, it may terminate this Contract in whole or in part, at any time before the date of completion. If the CONTRACTOR fails to comply with any of the terms and conditions of this Contract, the CITY may give notice, in writing, to the CONTRACTOR of any or all deficiencies claimed. Failure, for any reason, of the Contractor to fulfill in a timely and proper manner its obligations under this Agreement; Ineffective or improper use of funds provided under this Agreement; or Submission by the Contractor to the City reports that are incorrect or incomplete in any material respect.

The notice will be sufficient for all purposes if it describes the default in general terms. If all defaults are not cured and corrected within a reasonable period as specified in the notice, the CITY may, with no further notice, declare this Contract to be terminated. The CONTRACTOR will thereafter be entitled to receive payment for those services reasonably performed to the date of termination less the amount of reasonable damages suffered by the CITY by reason of the CONTRACTOR'S failure to comply with this Contract.

**12. CIVIL RIGHTS ACT OF 1964.** The CONTRACTOR will abide by the provisions of the Civil Rights Act of 1964, which states that under Title VI, no person may, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

**13. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.** The CONTRACTOR will comply with the following provision:

No person in the United States may on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with the funds made available under this title.

Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 will also apply to any such program activity.

**14. MINORITY BUSINESS ENTERPRISE.** Consistent with the provisions of Executive Order 11246 and OMB Circular A-102, Attachment O, the CONTRACTOR will take affirmative steps to assure that minority businesses are used when possible as sources of supplies, equipment, construction and services. Additionally, the CONTRACTOR must document all affirmative steps taken to solicit minority businesses and forward this documentation along with the names of the minority subcontractors and suppliers to the CITY upon request.

**15. NONDISCRIMINATION.** The CONTRACTOR will not discriminate against any employee or applicant for employment on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap, or national origin.

**16. OWNERSHIP AND PUBLICATION OF MATERIALS.** All reports, information, data, and other materials prepared by the CONTRACTOR pursuant to this Contract are to be the property of the CITY, which have the exclusive and unrestricted authority to release, publish or otherwise use, in whole or in part. All such materials developed under this contract shall not be subject to copyright or patent in the United States or in any other country without the prior written approval of the CITY.

**17. REPORTS AND INFORMATION.** The CONTRACTOR will maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to this Contract and such other records as may be deemed necessary by the CITY to assure proper accounting for all project funds, both federal and non-federal shares. These records will be made available for audit purposes to the CITY or its authorized representative, and will be retained for four years from the submission of the Consolidated Annual Performance and Evaluation Report (CAPER) by the CITY to the HUD Field Office. The Contractor shall provide written notification to the CITY prior to destruction of records. The Contractor shall insure recognition of the role of the City in providing services through this Contract. All activities, facilities and items utilized pursuant to this Contract shall be prominently labeled as to funding source. In addition, the Contractor will include a reference to the support provided herein in all publications made possible with funds made available under this Contract.

**18. ACCESS TO RECORDS.** It is expressly understood that the CONTRACTOR'S records relating to this Contract will be available during normal business hours for inspection by the CITY, the U.S. Department of Housing and Urban Development, the U.S. Comptroller General, Office of Inspector General, and, when required by law, representatives of the State of Idaho.

**19. CONSTRUCTION AND VENUE.** This Contract will be construed under and governed by the laws of the State of Idaho. In the event of litigation concerning it, venue is the First Judicial District in and for the County of Kootenai, State of Idaho.

**20. INDEMNIFICATION.** The CONTRACTOR waives any and all claims and recourse against the CITY, including the right of contribution for loss and damage to persons or property arising from, growing out of, or in any way connected with or incident to the CONTRACTOR'S performance of this Contract except for liability arising out of concurrent or sole negligence of the CITY or its officers, agents or employees. Further, the CONTRACTOR will indemnify, hold harmless, and defend the CITY against any and all claims, demands, damages, costs, expenses or liability arising out of the CONTRACTOR'S performance or non-performance of this Contract except for liability arising out of the concurrent or sole negligence of the CITY or its officers, agents or employees.

**21. CONFLICT OF INTEREST.** The Contractor warrants that it presently has no interest and will not acquire any interest, direct or indirect, in the award of this contract that would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in performing this contract it will employ no person who has any such interest.

- a) The Contractor shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b) No employee, officer or agent of the Contractor shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c) No covered persons who exercise or have exercised any functions or responsibilities with respect to the City's CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the City's CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Contractor, or any designated public agency.

**22. LEGAL FEES.** In the event either party incurs legal expenses to enforce the terms and conditions of this Contract, the prevailing party is entitled to recover reasonable attorney's fees and other costs and expenses, whether the same are incurred with or without suit.

**23. SECTION HEADINGS AND SUBHEADINGS.** The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.



24. **SPECIAL WARRANTY.** The CONTRACTOR warrants that nothing of monetary value has been given, promised or implied as remuneration or inducement to enter into this contract. The CONTRACTOR further declares that no improper personal, political or social activities have been used or attempted in an effort to influence the outcome of the competition, discussion, or negotiation leading to the award of this contract. Any such activity by the CONTRACTOR shall make this contract null and void.

25. **WAIVER.** The City's failure to act with respect to a breach by the Contractor does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

26. **ENTIRE AGREEMENT.** This agreement constitutes the entire agreement between the City and the Contractor for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the City and the Contractor with respect to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

PANHANDLE AREA COUNCIL

CITY OF COEUR D'ALENE

BY: \_\_\_\_\_  
James L. Deffenbaugh  
Executive Director

BY: \_\_\_\_\_  
Sandi Bloem  
Mayor, City of Coeur d'Alene,

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_

ATTEST: \_\_\_\_\_



## **ATTACHMENT “A”**

### **SCOPE OF SERVICES PANHANDLE AREA COUNCIL**

The CONTRACTOR shall be responsible for administering the City of Coeur d’Alene’s CDBG 2008 Program. All tasks will be administered in compliance with laws governing Entitlement Cities under the Department of Housing and Urban Development, to include but not limited to 24 CFR Part 570 and any additional Executive Orders, laws, regulations, policies or procedures of HUD or the City of Coeur d’Alene.

The following scope of services will assist the City in attaining the goals as stated in the Consolidated Plan Annual Action Plan. Each of these goals has a different set of activities to be undertaken; therefore, the categories and tasks identified below are general in nature and not all-inclusive. The CONTRACTOR shall cover all services reasonably expected for the successful execution of the program except for those activities that cannot be passed down.

#### **CDBG ADMINISTRATION/MANAGEMENT**

##### **A. GENERAL ADMINISTRATIVE**

1. Maintain files and records for overall administration of the CDBG program.
2. Provide the necessary information for the IDIS reporting system to track all funds, project progress, and request drawdown of CDBG funds.
3. Prepare financial data/reports on behalf of the CITY for dissemination to the community and any other reports as deemed necessary by the CITY.
4. Prepare and Maintain program budgets, amendments and schedules for each Entitlement activity.
5. Develop agreements for contractors and sub-recipients and conduct monitoring as necessary. Including all periodic and final site inspections to assure approved work is being conducted and completed.
6. Attend City Council meetings or any other meetings as deemed necessary and relevant by the CITY and the CONTRACTOR.
7. Assist the CITY and act as a resource for procurement procedures, policies, and documentation

8. Provide information to guide the CITY in maintaining financial records compliant with HUD requirements.
9. Develop and maintain adequate financial records with source documentation sufficient to meet HUD requirements.
10. Provide assistance in marketing and outreach for CDBG projects to reach eligible applicants for participation in the programs.
11. Assist in the preparation of the annual Consolidated Annual Performance and Evaluation Report (CAPER). (Notification to citizens according to the Citizen Participation Plan, attend meetings, take notes, preparation of draft plan)
12. Provide the CITY an evaluation of program results against the objectives as identified in the Annual Action Plan.
13. Utilize/engage PAC partners to meet the CITY Consolidated Plan goals.
14. Prepare for the City on an annual basis one educational opportunity regarding Fair Housing and Analysis of Impediments to Fair Housing.

**B. PROJECT/ACTIVITY – this list will vary from activity to activity, but for each project undertaken, a determination will be made to ensure that all required tasks are performed maintaining compliance with CDBG regulations.**

1. Conduct environmental reviews and establish an Environmental Review Record file.
2. Document eligibility of each funded activity undertaken.
3. Evidence of meeting the national objective.
4. Develop sub-recipient agreements and conduct monitoring.
5. Process applications for program participation and determine if program applicants are income-eligible in accordance to City policies and procedures.
6. Manage Construction Administration.
7. Approval of payments, review invoices, verify expenses are reasonable, in accordance to City standards, submit drawdown request to the City.
8. Maintain files/documents according to HUD standards
9. Civil Rights Compliance

**PUBLIC WORKS COMMITTEE  
STAFF REPORT**

**DATE:** June 23, 2008  
**FROM:** David E. Shults, Capital Program Manager  
**SUBJECT:** Sole Source Procurement of WWTP Blue Water Pilot Test Equipment

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**DECISION POINT:**

The City Council is requested to authorize sole source procurement of pilot testing services and equipment from Blue Water Technologies and to publish public notification in this regard.

**HISTORY:**

Planning is underway for amending the City's 20-year wastewater treatment facility plan in anticipation for changes to the NPDES discharge permit. EPA and the regulatory agencies in Idaho and Washington are working toward establishment of new discharge limits that are intended to protect water quality of the Spokane River and its impoundments. The new permit for Coeur d'Alene is expected to require very restrictive effluent phosphorus discharge limits that are as tough as any in the nation. The existing process equipment at the plant is not capable of reducing phosphorus to the amount that will be allowed. Additionally, there are very few known processes that have the capability to reliably reduce phosphorus to the degree required. Wastewater staff and consultant, HDR Engineering, studied the available technology, and identified several types of process equipment that might work. Small-scale pilot testing was initiated in 2006 at the treatment plant that verified that it is marginally possible to achieve the results that will be necessary to meet the permit limits proposed by the EPA. The proposed permit was negotiated to include a compliance schedule that will allow the City to conduct a larger-scale pilot program to select the best treatment technology that will serve the community now and in the future, when limits are expected to be even more restrictive. Wastewater staff and HDR Engineering propose to study three different technologies during the next two years of pilot testing. One emerging technology, named Blue Water Technologies Blue Pro is unique to the industry, and is showing promise that this process equipment may achieve the desired results. Procurement of the Blue Pro pilot test equipment is not conducive to competitive bidding. Staff proposes to negotiate a fair and reasonable agreement for purchase or lease of this sole source equipment.

**FINANCIAL ANALYSIS:**

The City's current 2007-08 Financial Plan approved \$3,000,000 for the pilot testing program.

**DISCUSSION:**

HDR Engineering and the city's wastewater staff identified three different types of technology that will be thoroughly evaluated for selecting and designing the wastewater plant upgrade that will allow compliance with the new discharge permit: Blue Pro Sand Filtration, Membrane Bioreactor (MBR), and Tertiary Membrane Microfiltration. The Wastewater Facility Plan Amendment for the treatment plant is currently being formulated with these options for the final selection of secondary and tertiary treatment process type. Many questions remain regarding the full scale performance and reliability under the variability of influent flows and loads. No full scale experience from a facility of comparable size is known. Therefore, the City made the decision to conduct a two year demonstration pilot to investigate the three different technologies under variable flows and loads conditions and operated by plant staff. This demonstration testing will deliver valuable information, not only with respect to meeting the effluent phosphorus requirement, but also in determining operating strategies, troubleshooting guidelines, plant maintenance requirements, and more accurate information on critical design parameters. Final selection of the process

type and treatment plant arrangement will be made based on outcome of both this pilot program and the wastewater facility planning, and will be made in time for design and construction according to the schedule required by the discharge permit.

Currently, HDR Engineering is assisting with design and packaging of the pilot test program equipment and services. HDR points out in the attached memo that procurement of the Blue Pro equipment is not conducive to competitive bidding. Procurement regulations allow the City Council to declare sole source procurement when there is only one vendor, and where a sole supplier's item is necessary for trial use or testing. Publication in the official newspaper of this intent is necessary.

**RECOMMENDATION:**

The City Council is requested to authorize sole source procurement of pilot testing services and equipment from Blue Water Technologies and to publish public notification in this regard.

Attachment

des1256

|                                            |                                       |
|--------------------------------------------|---------------------------------------|
| To: Sid Fredrickson; Don Keil; Dave Shults |                                       |
| From: David Keil                           | Project: Low P Demonstration Facility |
| CC: Dave Clark; Mario Benisch; File        |                                       |
| Date: June 10, 2008                        | Job No: 85061                         |

**RE: Sole Source Justification for Blue Water Technologies Blue PRO®**

The continuous regeneration of adsorptive media within a continuous backwash sand filter has reportedly produced total phosphorus levels at less than 0.010 mg/L in full-scale application. This implementation of the adsorption removal mechanism within a reactive filter, used in the Blue PRO® process by Blue Water Technologies, Inc., was tested at the Coeur d'Alene, Idaho wastewater treatment facility in a two month, small scale pilot for tertiary phosphorus removal in 2006. In the two month pilot test under near-constant flows and loads, the Blue PRO® process demonstrated the potential to meet a monthly average total phosphorus limit of 0.050 mg/L. This is the monthly average limit proposed by the Environmental Protection Agency in the draft NPDES permit for the Coeur d'Alene wastewater treatment plant. Inclusion of the Blue PRO® process in the Low P Demonstration Facility will enable this technology to be tested under seasonal and diurnal variations in flows and loads, which are more representative conditions of a full scale facility.

Blue Water's Blue PRO® process embodies specific features for tertiary phosphorus removal. Adsorption is a key feature for producing low total phosphorus concentrations in wastewater. The affinity of iron for phosphate and the optimization of a process to create hydrous ferric oxide coated sand allow adsorption to be implemented within the filters.

The technology for the Blue PRO® treatment process is unique and only one vendor can supply this technology - Blue Water Technology, Inc. Plus, the sole supplier's item is needed for trial use or testing. The competitive solicitation of the materials for this process is impractical, disadvantageous and unreasonable under the circumstances.

HDR recommends that the city publish a notice of sole source procurement in the local newspaper immediately. This will allow the required minimum of 14 days public notice prior to award.

1. Newcombe, R.L., R.A. Rule, B.K. Hart, and G. Möller. 2008. Phosphorus Removal from Municipal Wastewater by Hydrous Ferric Oxide Reactive Filtration and Coupled Chemically Enhanced Secondary Treatment: Part I. Performance. Water Environment Research, 80(3):238-247.
2. CH2M HILL. 2006. Evaluation of Blue PRO Process at the Hayden Wastewater Research Facility. Project number 331243.01.3RP; July 12, 2006.
3. Newcombe, R.L., D.G. Strawn, T.M. Grant, S.E. Childers, and G. Möller. 2008. Phosphorus Removal from Municipal Wastewater by Hydrous Ferric Oxide Reactive Filtration and Coupled Chemically Enhanced Secondary Treatment: Part II. Mechanism. Water Environment Research, 80(3):248-256.
4. Neethling, JB, M. Benisch, D. Clark, D. Fisher, and A.Z.Gu. 2007. Phosphorus Speciation Provides Direction to Produce 10 µg/L. WEFTEC 07 Proceedings; San Diego, California; October, 2007.

DATE: JUNE 20, 2008  
TO: MAYOR AND CITY COUNCIL  
FROM: PLANNING DEPARTMENT  
RE: SETTING OF PUBLIC HEARING DATE: JULY 15, 2008

Mayor Bloem,

The Planning Department has forwarded the following item to the City Council for scheduling of a public hearing. In keeping with state law and Council policy, the Council will set the date of the public hearing upon receipt of recommendation.

| <u>ITEM NO.</u> | <u>REQUEST</u>                                                                                                           | <u>COMMISSION ACTION</u> | <u>COMMENT</u> |
|-----------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| I-2-08          | Requested Appeal<br>Applicant: John Manning<br>Request: Determine the number of parking spaces for a Federal Court house | Recommended denial       | Administrative |

In order to satisfy the mandatory 15-day notice requirement, the next recommended hearing date will be **July 15, 2008.**

JS:ss



# ANNOUNCEMENTS

OTHER COMMITTEE MINUTES  
(Requiring Council Action)

June 23, 2008  
**GENERAL SERVICES COMMITTEE  
MINUTES**

**COMMITTEE MEMBERS PRESENT**

Deanna Goodlander, Chairperson  
Ron Edinger  
John Bruning

**STAFF PRESENT**

Mike Gridley, City Attorney  
Renata McLeod, Project Manager  
Troy Tymesen, Finance Director

**CITIZENS PRESENT**

Kay Kitchel  
Nelle Coler

**Item 1. Reference Manual / HUD's CBDG Funding.  
(Agenda Item)**

Renata McLeod, Project Coordinator, gave a presentation that explained that the City has received HUD CBDG funding and has established an action plan for utilization of this year's funding. In order to provide a framework for utilizing CBDG funding for emergency minor home repair and accessibility improvement programs, staff requests that the proposed manual be approved. This is the City's first year of CBDG funding, so the manual will be a living document with continuous improvement as an important goal. Mrs. McLeod's presentation also provided details of the following:

- Emergency & Minor Home Repair
- What other cities are doing
- What staff is proposing
- The benefits of *1<sup>st</sup> Come, 1<sup>st</sup> Serve* program
- Benefits of an Advisory Committee
- The Program Proposal.

Councilman Edinger asked who they would be looking at for advisory committee members. Mrs. McLeod responded, no specific group. Maybe disability action agency, community volunteers, city staff, city council member, etc.

Councilman Goodlander said she would like to see a portion of the funds be an outright grant instead of a 3% low interest homeowner loan or as a non-interest bearing loan. Mrs. McLeod responded that this is definitely allowable by HUD and verbiage can be change if so directed by the City Council. Mr. Tymesen, explained that the intent of the 3% loan was to encourage partnerships with the homeowner, create future funding source, and is lower than any interest rate offered at this time. HUD has been allocated less money year after year, so there is no guarantee that we will continue to receive the same amount of funding and will likely get less each year as more cities become eligible for CBDG funding. Additionally, the policy states that if the funds are repaid with two years the interest will be waived.

**MOTION: by Edinger, seconded by Bruning, that Council approve the 2008 Reference Manual for the 2008 CBDG Funding and approve the establishment of an Ad Hoc Committee for CBDG issues and that said program be evaluated after one year for possible improvements/changes.**

**Item 2. Grant Administrative Services Agreement/Panhandle Area Council.  
(Consent Resolution No. 08-039)**

Renata McLeod, Project Coordinator, is requesting authorization of a Contract with Panhandle Area Council for grant administration professional services. Mrs. McLeod explained that on October 24, 2007, the City sent out a request for proposal for grant administration services for the HUD allocation the City is anticipating in 2008 to three organizations. On December 4, 2008, the City approved a letter of Agreement with Panhandle Area Council (PAC) for grant administration services. At that time, staff stated that a formal Contract would follow after the December 10-13, 2007 HUD training was attended, so that the scope of work would included the appropriate terms and requirements necessary. Payment for services will be \$30,000.00, payable from the CDBG funds received.

**MOTION: by Edinger, seconded by Bruning, that Council adopt Resolution No. 08-039 authorizing the Contract with Panhandle Area Council for Grant Administration Professional Services.**

The meeting adjourned at 12:23 p.m.

Respectfully submitted,

*Juanita Van Cleave*  
Recording Secretary

**GENERAL SERVICES COMMITTEE  
MEMORANDUM**

DATE: JUNE 18, 2008

FROM: RENATA MCLEOD, PROJECT COORDINATOR

RE: APPROVAL OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
FUNDING 2008 REFERENCE MANUAL

---

**DECISION POINT:**

- To approve the attached 2008 Reference Manual for the 2008 CDBG Funding.
- Approve the establishment of an Ad Hoc Committee for CDBG issues.

**HISTORY:** The City has received HUD CDBG funding and has established an action plan for utilization of this year's funding. In order to provide a framework for utilizing CDBG funding for emergency minor home repair and accessibility improvement programs, staff request that the proposed manual be approved. This is the City's first year of CDBG funding, so the manual will be a living document with continuous improvement as an important goal. An Ad Hoc Committee will assist staff/Contractor in an advisory capacity to make those continuous improvements and assist with next year's action plan.

**FINANCIAL:** The City received \$304,565.00 in CDBG program funding in April 2008. Based on the original estimate of receiving \$300,000.00 the following action plan budget was established; \$60,000.00 for Administration (PAC services, BBC payment, training); \$70,000.00 Midtown Land Acquisition; \$100,000.00 Neider Avenue Infrastructure Project; \$20,000.00 Sidewalks, \$50,000.00 neighborhood revitalization/code enforcement (home repair program).

**PERFORMANCE ANALYSIS:** Approving the proposed manual will allow staff /Contractor to continue with plans to advertise the to low to moderate income homeowners to receive funding for emergency minor home repair and accessibility improvement projects this Summer.

**DECISION POINT/RECOMMENDATION:**

- To approve the attached 2008 Reference Manual for the 2008 CDBG Funding.
- Approve the establishment of an Ad Hoc Committee for CDBG issues.

COEUR D'ALENE COMMUNITY DEVELOPMENT BLOCK GRANT  
2008 REFERENCE MANUAL



The City of Coeur d'Alene prohibits discrimination in housing on the basis of race, color, sex, national origin, religion, familial status, disability, or age.

The City of Coeur d'Alene receives an annual direct allocation of Community Development Block Grant (CDBG) funding. In 2008, the City received an allocation of \$304,576.00. Originally, the City estimated the funding at \$300,000.00. An amendment for the increase in funding is planned. Based on public input and staffing resources the following action plan has been approved. Public hearings and comment periods will be included in future Action Plan annual reviews and updates.

| EST. ALLOCATION                               |      | \$300,000.00 | Explanation                                                                                                                                                |
|-----------------------------------------------|------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADMINISTRATION                                | 20%  | \$60,000.00  | Reimburse City of \$23,000 cost of consolidated plan; \$30,000 for administration Contract, \$7000 publications/training                                   |
| INCREASE HOUSING FOR PURCHASE                 | 23%  | \$70,000.00  | To acquire land in the midtown area in partnership with LCDC and IHFA for affordable housing                                                               |
| INCREASE HOUSING SPECIAL NEEDS/HOMELESS       | 33%  | \$100,000.00 | To be utilized as infrastructure, utilities, and/or leverage for the St. Vincent De Paul 811 project on Fruitland Lane                                     |
| SIDEWALKS                                     | 7%   | \$20,000.00  | Assistance to LMI homeowners that need sidewalk repair/replacement                                                                                         |
| NEIGHBORHOOD REVITALIZATION/ CODE ENFORCEMENT | 17%  | \$50,000.00  | \$23,000 to go toward Code Enforcement personnel wages (apprx. 40%); \$27,000 available for home revitalization including weatherization to LMI homeowners |
| ECONOMIC DEVELOPMENT                          |      | \$0.00       | No current projects identified. Will look for future partnerships.                                                                                         |
| TOTAL                                         | 100% | \$300,000.00 |                                                                                                                                                            |

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## INTRODUCTION

In 2007, the City of Coeur d'Alene became eligible to receive the Federal Community Development Block Grant, or CDBG. CDBG is administered at the federal level by the U.S. Department of Housing and Urban Development (HUD). CDBG dollars can be used by cities to address a variety of housing and community development needs within their jurisdictional boundaries.

The purpose of this manual is to provide basic information to encourage and maintain a high degree of understanding of the policies and procedures in place for assistance under the City's Community Development Block Grant Action Plan. It will provide information on program activities, eligibility, and financing through a grant/loan process. For Fiscal Year 2008, the City has funded the Neighborhood Revitalization/Code Enforcement program that can provide assistance for Emergency/Minor Repair; Home Rehabilitation; Energy Conservation; Housing Accessibility; and grants for Lead Based Paint Abatement. The City also plans to provide grants for specifically outlined projects. All programs are subject to availability of funds.

The City is responsible for assuring that the programs implemented adhere to all regulations that govern the use of these funds as required by HUD. All grants/loans will be approved by resolution of the Mayor and City Council based on compliance with the regulatory requirements. All recipients under these programs shall be responsible for meeting the requirements as contained in this manual; and those required and in effect by any other agency. If the standards in this manual are more restrictive than those required by other agencies, the stricter shall apply except where specifically addressed in this manual.

This handbook has been approved by the Mayor and City Council. Any significant variation from the approved programs shall be presented for review to the Mayor and City Council during the approval process. Variations in terms, conditions and loan amounts will be at the discretion of the City Finance Director and only when in the best interest of the City.

The activities to be included in each program year's Action Plan, are determined in part through the Citizen Participation Process. Elements of the annual Citizen Participation Plan include: public meetings, citizen survey, stakeholder meeting and interviews and draft plan review and comment period. The City of Coeur d'Alene's Action Plan and Citizen Participation Plan are included in the Consolidated Plan, and may be viewed at [www.cdaid.org](http://www.cdaid.org)

All exhibits and documents in this manual are only samples of documents that can be used. As such, they are subject to change and are in no way intended to be complete.

## **DEFINITIONS:**

**CITY:** Shall mean the City of Coeur d'Alene or its designee (contractor)

**EPA:** Federal Environmental Protection Agency.

**HUD:** The Federal Department of Housing and Urban Development.

**Fixed Income:** Fixed income is that received from Social Security, railroad retirements, Supplemental Security Income, retirement, survivor and/or disability pensions or any other income not listed that a person will receive until death.

**Gross Income:** All income including retirement, child support, unemployment, alimony, etc. must be reported as gross income, whether taxable or not.

**Family:** All persons living in the same household who are related by birth, marriage (spouse, stepchildren, etc.) or adoption.

**Extended Family Member:** Means all persons beyond immediate family, related through marriage, i.e., brother in-law, sister in-law, etc.

**Household:** All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Low-Moderate Income (LMI):** LMI is defined as total household income that does not exceed 80% of median income of the area involved (City of Coeur d'Alene) as determined by HUD.

**Uniform Housing Code:** The most current code as adopted by the City of Coeur d'Alene. This code provides minimum requirements for the protection of life, health, property, safety, and welfare of the general public and the owners and occupants of residential building.

## DESCRIPTION OF NEIGHBORHOOD REVITATLIZATION/CODE ENFORCEMENT MITIGATION PROGRAM ACTIVITIES

Each year during the review and update of the City's Action Plan, the City anticipates that a percentage of the CDBG funds they receive will be allocated for neighborhood revitalization and code enforcement mitigation activities. The City has identified the following categories as potential activities for assistance to Low to Moderate Income residents. Funding levels (if any) for each type of activity will be determined during the annual Action Plan update. With the exception of the Lead Based Paint Abatement, all assistance will be in the form of low interest loans. Additionally, any loans made for these assistance activities can be deferred at the applicant's request. All applicants for these loans must be homeowners within the City Limits of Coeur d'Alene and meet the requirements as set forth in this manual.

1. **Emergency/Minor Repair Loans:** Low to Moderate Income homeowners who experience situations that result in unsafe living conditions as determined by the current adopted City Code may be eligible for emergency loans. These circumstances include, but are not limited to:
  - Roof repair
  - Heating system repairs or replacement
  - Plumbing and sanitary sewer problems
2. **Home Rehabilitation Loans:** For housing rehabilitation of existing structures generally to bring the property up to local codes and standards.
3. **Energy Conservation Loans:** Assistance to the homeowners to reduce high-energy costs by making houses more energy efficient.
4. **Housing Accessibility Program Loans:** Provide, improve accessibility to homeowner living facilities, for persons with disabilities. Eligible project may include ramps and grab bars.

Homes constructed prior to 1978 may contain lead. If during a repair or rehabilitation project, treatment and/or abatement is required in accordance with 24 CFR. Part 35; grant funds may be available for that activity.

5. **Lead Based Paint Abatement Grant:** A grant may be available to assist a homeowner with lead based paint reduction activities on a home built prior to 1978, when required during a home repair or rehabilitation loan project. This grant would be used for lead base paint inspections, risk assessment, clearances, interim controls and/or abatements.

## **ELIGIBILITY**

The purpose of this section is to establish standards of eligibility for homeowners to under take the Emergency/Minor Repair and Home Rehabilitation CDBG program activities.

Applicant must meet the following requirements:

1. Property must be located within the City limits of Coeur d'Alene, Idaho.
2. Applicants must own the property on which program activities will be conducted or must be the purchaser of record.
3. The property must be the principal residence of the applicant.
4. **Total** household income must meet the LMI guidelines as set by HUD.
5. The applicant shall comply with all rules and regulations governing each program.
6. The applicant shall have a housing debt of no more than 100% of the value of the property, based on Kootenai County tax assessment of the property.
7. Accessibility activities require that the applicant or a family member residing in the home have an impairment which substantially limits one or more major life activities such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
8. On properties constructed prior to 1978, applicant must agree to a Lead Risk Assessment on said property if applicable.
9. Projects are contingent on clearance of Environmental Review.
10. Participation will be on a first come-first served basis, and is contingent on available funding.

## APPLICATION GUIDELINES

This section establishes a standard procedure for the completion and submission of applications for the assistance to Emergency/Minor Repair and Home Rehabilitation CDBG programs.

Documents required:

1. Program participation and loan application form.
2. Copies of deeds, contracts of sale, Mortgage balance statement, and/or escrow agreements involved in the ownership or purchase of the dwelling units for which program assistance is being requested. If homeowner owns the home free and clear, a listing packet may be requested from the Title Company.
3. Any written reports of City code violations on premises for which program assistance is being requested if applicable
4. Copies of the applicant's most current year Federal Income Tax return with supporting documentation for all income. If the applicant is self-employed, two years' tax returns and bank account statements for proof of income for the current year are required.
5. Certificate of current fire insurance coverage.
6. Completion of any additional application forms required by the funding source.

In program year 2008, Panhandle Area Council will receive and process applications at their office located at 11100 N Airport Drive, Hayden, ID 83835-9798. Telephone: (208) 772-0584  
Electronic forms are available at [www.cda.org](http://www.cda.org)

Verification of information will be required. Where applicable, the applicant may be requested to provide additional documentation, for example: Divorce Decree, complete bankruptcy papers, child support, unemployment, social security statements, bank account statements, etc.

If the City must obtain verification through a third party, via a mailed verification form, the applicant may experience a delay in application processing.

## INCOME GUIDELINES

Property owners requesting assistance under the Emergency/Minor Repair and Home Rehabilitation CDBG programs must meet the income guidelines established by HUD.

1. **All** individuals living in the household, whether or not they are listed on the property title, deed or contract of sale, are to be included when calculating gross income to determine income eligibility.
2. Households being considered for assistance under the LMI Emergency/Minor Repair and Home Rehabilitation CDBG programs must have a gross income not to exceed 80% of the current area median income. The area median income will be established by the most recent report from HUD.
  - a. All gross income including retirement, child support, unemployment, alimony, etc. must be reported as gross income, whether taxable or not.
  - b. Gross Income for self-employed individuals will be the adjusted gross (as shown on Schedule C of the federal tax return) plus depreciation of any home office deduction. Self-employed adjusted income will be averaged over a two (2) year period.
3. Gross Income evaluations for all programs shall be subject to HUD regulations as revised annually.

### LOW TO MODERATE INCOME CHART

Household income for the program cannot exceed the amount for the corresponding household size listed here:

| <b>Year 2008 Maximum Household Income</b> |                |
|-------------------------------------------|----------------|
| Household Size                            | Maximum Income |
| 1 person                                  | \$29,450.00    |
| 2 Person                                  | \$33,700.00    |
| 3 Person                                  | \$37,900.00    |
| 4 Person                                  | \$42,100.00    |
| 5 Person                                  | \$45,450.00    |
| 6 Person                                  | \$48,850.00    |

\* Please contact Panhandle Area Council for income limits for households of 7 or more.

## **AUTHORIZATION**

Independent verification of information provided by participants during the application process may be necessary. When third party verification is needed the program applicant must authorize release of information to the City.

- The attached form (Authorization to Release Information) shall be completed as a part of the application when third party verification is necessary.

## **ELIGIBLE ACTIVITIES**

Only activities, which meet HUD eligibility criteria, may be completed under the Emergency/Minor Repair and Home Rehabilitation CDBG programs. The following list is not intended to be all-inclusive.

1. Rehabilitation/correction of conditions that violate provisions of the most current Uniform Building Code, or other City adopted codes and policies.
2. Rehabilitation/correction of conditions to preserve life safety.
3. Rehabilitation/corrections necessary to create safe, secure and sanitary living conditions.

Specific activities which may be eligible under the LMI Emergency/Minor Repair and Home Rehabilitation CDBG programs include, but are not limited to, repair and replacement, or installation of:

1. Any reasonable equipment or modification system needed to accommodate a physical or medical handicap, as determined by HUD Section 504 Guidelines. Handicap fixtures when necessary, including but not limited to ramps, grab bars in bathrooms, special door and entryway.
2. Heating equipment including ductwork and thermostats, repair of or modifications to wall protection, chimneys, venting and hearts to city approved Uniform Mechanical Code. Baseboard heating units, gas or electric wall furnaces can be replaced with perimeter type heat.
3. Water modifications, repairs or replacement.
4. Sewer modifications repairs or replacements.
5. Any portion of the plumbing system including water, waste, venting, fixtures, and well testing.
6. Roofing, including sheathing, and trim, asphalt, fiberglass, cedar, tile and approved materials.
7. Any portion of the electrical system including fixtures such as smoke detectors and light fixtures
8. All items for the purpose of weatherization of the property, i.e., insulation, windows, door, weather stripping, door sweeps, etc. French doors only if rough opening are not altered in size.
9. Other items of repair necessary to cure an immediate problem.

Ineligible activities for Emergency/Minor Repair and Home Rehabilitation CDBG programs projects:

1. Purchase of appliances including washers/dryers, garbage disposal, dishwasher, range, refrigerator, microwave.
2. Any improvement not attached or permanently installed to the unit Drapes, curtains, shades, hangers, lamps, valance or cornice boards or any type of furniture
3. Water softeners and trash compactors



4. Exterior barbecue pits, fireplaces, and hearths
5. Bath houses, hot tubs, saunas, swimming pools and tennis courts
6. Burglar protection bars (unless for a basement), and home security systems
7. Dumbwaiters and radiator covers and enclosures
8. Fire extinguishers and television/satellite antennas
9. Flower beds and greenhouses
10. Airplane hangars and pet kennels
11. New garages
12. Extended warranties for appliances cannot be purchased with funds provided under the Emergency/Minor Repair and Home Rehabilitation CDBG programs.

## LOANS AND FEES

The City's Action Plan will identify the amount of funding available during a given Program Year for activities under the Emergency/Minor Repair and Home Rehabilitation CDBG programs:

The maximum loan amount for individual projects conducted for eligible program activities shall not exceed \$3,000.

The following are eligible activities (costs) under the Emergency/Minor Repair and Home Rehabilitation CDBG programs; this list is not all inclusive:

- a. Approved bids/quotes
- b. Tool/Equipment Rental
- c. Engineering/Architect fee
- d. Fees for drawing and printing
- e. Energy Auditing Fee for recording documents
- f. Permit fees

## **BUILDING PERMITS**

Building permits will be required, in accordance with Coeur d'Alene City Code, for activities under the Emergency/Minor Repair and Home Rehabilitation CDBG programs:

1. Building permits whether required under Coeur d'Alene City Code or by State Statute shall be the responsibility of the property owner. The owner may specify that their contractor obtain and maintain all permits necessary for the project work.
2. Final payment will not occur until all work and permits have been inspected and approved by the appropriate Authority.

## CONSTRUCTION/MATERIALS

The small purchase procurement procedures may be used to acquire goods and services totaling no more than \$100,000 without publishing a formal request for proposals or invitation for bids.

Under the small purchases method, homeowners provide a request for bids/quotes to potential vendors with a detailed description of the goods or services needed. In return, they receive competitive written bids/quotation from an adequate number of qualified sources.

Each bid/quote should include, company name, address and contact person, itemized quantities, time schedule if applicable, and pricing information that allows direct comparison of costs across bidders and ensures cost reasonableness. Documentation of the bids/quotes shall be maintained in the project files.

Procurement for activities under the Emergency/Minor Repair and Home Rehabilitation CDBG programs shall be conducted in the following manner:

1. The homeowner shall be responsible for seeking out and receiving at least three bids/quotes.
2. The homeowner must submit all bids/quotes for inclusion in the project record.
3. If the homeowner is unable to obtain three bids/quotes, a written explanation is required. (i.e. sole source supplier)
4. If the homeowner's efforts result in a single bidder/quote, cost reasonableness must be verified before awarding a contract.
5. Award should be made to the lowest responsive and responsible bidder/source.
6. Contractor must provide ownership, address and telephone contact information, contractor's license and tax identification number, for contractor's company, and all sub-contractors.
7. A contract between the owner and the contractor will be prepared and signed by both parties. Any homeowner provided materials will be identified and recorded. Where there is more than one contractor, multiple contracts will be prepared.
8. On request, the City will provide a commitment letter stating the homeowner has entered into a loan agreement and funding will be provided at the successful completion of the project activities.
9. A notice to proceed will be issued to each contractor.
10. Changes in the scope of work after contracts have been signed, is strongly discouraged. In the event that any changes or additional work in performance of a bid are necessary, a change order shall be initiated and submitted to the City for review and approval; change orders must be signed by the homeowner and the Contractor. Change orders must be in numbered sequence.
11. Every reasonable effort will be made to expedite the process in emergency situations.

## **SELF HELP**

The purpose of this section is to define the policy of the City on self-help arrangements (i.e., a loan applicant performing labor on his own home).

1. In the event a property owner wishes to perform labor on their own project, they may do so only with the approval of the City. A self-help agreement, which includes the scope of work to be completed by the applicant, must be signed.
  - a. If self-help is allowed, regulations expressly prohibit payment to the applicant or members of the immediate family (as described in the Definitions Section of this manual), for any labor, they provide.
  - b. Extended family members, (as described in the Definitions Section of this manual), may bid on projects provided there is proof they are a qualified contractor with an established business.
2. Purchase of materials required to complete an owner's self-help contract are the responsibility of the owner and no reimbursement will be made until materials have been installed and inspected by the City.
3. A negotiated time limit will be placed on the work to be completed.

## **JOB SITE SUPERVISION**

Each project shall be coordinated and supervised by the City, or its designee. The responsibilities shall include:

1. Coordination of construction schedules with the homeowner; contractor(s) and subcontractors.
2. Observation and inspection (including unscheduled inspections) of work performed and quality standards of materials as specified in the original contract, including sketches and drawings.
3. Coordination of inspection by City inspectors. (Note: it shall be the responsibility of each contractor and subcontractor to order required inspection at the required intervals).

## **PAYMENT FOR PROGRAM ACTIVITIES**

Assistance under the Emergency/Minor Repair and Home Rehabilitation CDBG programs will be provided in the form of low interest homeowner loans. The City will disburse the loan funds directly to the contractor or vendor with approval of homeowner.

1. Homeowner will complete all necessary loan documentation and sign Promissory Note prior to the obligation of any program funds for the assistance project.
2. The payment schedule for each LMI assistance project will be included in the project files and any construction contracts, or materials purchase agreements.
3. Payment will be made for work completed as per contract/agreement.
4. Prior to payment disbursal, the City will determine that the work for which a contractor is requesting payment has been completed in accordance with the contract and meets all code requirements.
5. Reimbursement to homeowners for materials purchased will require a completed reimbursement form, and invoices bearing the homeowner's signature. Sales tax must be included in all invoices.

## LOAN REQUIREMENTS AND DETAILS

The following are the security documents required for each type of loan for qualified homeowners participating in the City's CDBG program.

### **Emergency/Minor Repair, Energy Conservation, Accessibility loans:**

- ✓ Promissory Note
- ✓ Deed of Trust

### **Home Rehabilitation Loan, add:**

- ✓ Promissory Note
- ✓ Deed of Trust
- ✓ Security agreement (recorded)
- ✓ Title Insurance

The interest rate for all loans has been established at 3%. (Simple interest)

### **Payment Options:**

- a. Monthly payment amounts will be negotiated between the City and homeowner.
- b. There is no penalty for prepayment or early pay-off.
- c. Interest will be forgiven if loan is paid in full with-in two years of closing.
- d. Participating homeowners may elect to defer repayment of loan until sale of property or transfer of ownership.

Homeowners may request a copy of all documents associated with their loans for review prior to closing. At the time the loan is closed, each applicant shall receive:

- a. A Right of Recession agreement and if requested have an explanation of the same;
- b. A Truth in Lending Disclosure Statement and have an explanation of the same.
- c. If the homeowner has elected to repay the loan immediately, a loan account number shall be assigned and written notice sent to the Finance Department of the City of Coeur d'Alene.



## **DOCUMENT PREPARATION**

The purpose of this section is to outline the procedure for transmitting loan information to the City Treasurer (or designee) for the preparation of official documents.

1. Documents provided shall include the following:
  - a. Applicant's name
  - b. Property Address
  - c. Program identification
  - d. Amount of the loan
  - e. Statement of present value of the property and the anticipated rehabilitation value
  - f. Statement of lien position of the City of Coeur d' Alene
  - g. Statement of the scope of project
  - h. Statement of the length of the loan, interest rate, and the amount of monthly payment, unless deferred.
  
2. An Agreement will be prepared, under the guidance of the legal department which includes the items listed above and the distribution of the funds:
  - a. General contractor(s) name and address
  - b. Contractor's bid amount
  - c. Description of fees and amounts

## **APPROVAL**

The City Treasurer shall make approval of the application for loan in an amount not to exceed Three Thousand Dollars (\$3,000.00). Approval shall be based on the following:

1. Satisfactory completion of an application form by the applicant.
2. Satisfactory completion of a City Code inspection by the City, if applicable.
3. Written indication from a licensed Title Company of a willingness to guarantee title in an amount equal to the Deed of trust.
4. Report of credit history from a credit-reporting agency satisfactory to the City to justify the ability of the applicant to repay the loan.
5. Assurances by the applicant that adequate steps have been taken to guarantee the correction of the City Code violation (if applicable) with the use of the loan funds.
6. The sum of all loans will not exceed 100% of the value of the home.

## **DOCUMENT DISPOSITION**

The purpose of this section is to outline a procedure for the handling of the loan instruments, contracts and other documents associated with the loan/grant.

1. After adoption of the resolution by the Mayor and City Council and closing of the loan, all documents shall be distributed by the City as follows:
  - a. To the Finance Department of the City of Coeur d'Alene
    - i. The loan set-up sheet
  - b. To the main hardcopy file of the City of Coeur d'Alene
    - i. One copy of the Deed of Trust
    - ii. One copy of the Promissory note
    - iii. One copy of all contracts
    - iv. One copy of all other documents prepared as a part of the loan
    - v. One copy of the resolution adopted by the Mayor and the City Council with all necessary signatures
  - c. To the Loan Applicant of the property to be rehabilitated:
    - i. One copy of the Deed of Trust
    - ii. One copy of the Promissory note
    - iii. One copy of all contracts
    - iv. One copy of any other documents as recorded part of the loan (i.e., affidavits)
  - d. To each contractor involved in the rehabilitation contract:
    - i. Original contract with all signatures notarized.
2. In all cases, copies of the bids accepted as a part of the rehabilitation application shall have included in and as a part of all bids the sketches and drawings contained in the bid request.
3. All original Deeds of Trust and Promissory Notes shall be placed in a locked file cabinet for safety and kept at the City.

## **LEAD BASED PAINT REQUIREMENTS**

The purpose of this section is to establish a procedure for treatment or abatement of lead-based paint in a rehabilitation project.

1. When the EPA – certified inspector or risk assessor determines that lead-based paint is present in the dwelling to be rehabilitated, the bid sheet will define the need for treatment and/or abatement of the problem in accordance with HUD requirements at 24 C.F.R., Part 35.
2. The Owner will receive notification of the possible presence of lead-based paint in their home. They will be required to sign for and receive a copy of “Protect your family from lead in your home” explaining the hazards of lead-based paint in pre-1978 dwellings, the precautions to take, and the blood screening procedures for children.
3. The agreements between the homeowner and contractor will include, under Article V of the General conditions of the contract, the information regarding the treatment and abatement of lead based paint in accordance with HUD requirement 24 C.F.R., Part 35.24(b)(2)(11).
4. All requirements for lead-based paint abatement as required by state law and HUD will be included in the rehabilitation project.

**June 23, 2008**  
**PUBLIC WORKS COMMITTEE**  
**MINUTES**

**COMMITTEE MEMBERS PRESENT**

Council Member Mike Kennedy  
Council Member Woody McEvers  
Council Member Al Hassell

**STAFF PRESENT**

Troy Tymesen, Finance Director  
Dave Shults, Capital Program Mgr.  
Jon Ingalls, Deputy City Administrator  
Amy Ferguson, Committee Liaison

**GUESTS PRESENT**

Doug Busko, CM2H Engineering  
Jim Mangan, Chairman of Assoc. of Highway Districts

**Item 1            Local Option Vehicle Registration Fee**

Jon Ingalls, Deputy City Administrator, presented a request for Council consideration of whether or not to adopt a resolution calling for an election to approve or disapprove an increase in vehicle registration fees to fund highway maintenance and construction. He stated that the Kootenai County Area Transportation Team (KCATT), the technical subcommittee of the Kootenai Metropolitan Planning Organization (KMPO), has recommended implementation of a \$24.00 increase in vehicle registration fees as a funding mechanism for construction, repair, and maintenance of roadways in Kootenai County. Per Idaho Code, the increase must be approved by the voters in a general election. In order to get on the ballot, all of the highway jurisdictions within the county must request the County to place it on the ballot. To date, all of the highway districts and the City of Post Falls have endorsed the request. The cities of Coeur d'Alene, Rathdrum, and Hayden are considering it. Mr. Ingalls explained that the \$24.00 increase would bring an influx of \$60,000,000 to the County for a period of 20 years until it sunsets. Coeur d'Alene would receive \$10,000,000 over the life of the initiative. Mr. Ingalls further explained that there are a number of unfunded road projects in the city that are waiting for funding. It is more difficult to get those projects completed as federal funding is more competitive and scarce. The additional funds could also augment the overlay and maintenance and repair programs.

Councilman McEvers asked about school buses. Mr. Ingalls confirmed that in the draft resolution school buses are included as those that would pay the \$24.00 fee, but motorcycles, recreational vehicles and classic cars are excluded.

Councilman McEvers asked if the county commissioners would have the final decision as to whether this initiative goes to the ballot. Mr. Ingalls responded that if all of the highway districts and cities endorse it, the initiative would go on the ballot. If not all of the highway districts and cities endorse it, the commissioners could still place it on the ballot. Lastly, if neither of these events occurred, 10% of the voters from the last election could petition to have it placed on the ballot. Mr. Ingalls confirmed that council is only being asked to vote on whether or not to approve a resolution calling for an election to approve or disapprove the increase.

Mr. Ingalls confirmed that only 51% voter approval will be required if this initiative goes to ballot.

Mr. Jim Mangan, Chairman of the Association of Highway Districts, noted that this initiative has to be delivered to the county commissioners by August 1<sup>st</sup> in order to get it on the November ballot. He further clarified that the registration fee would only apply to non-public school buses, and that since it is a fee and not a tax, a simple 51% majority vote is required. Mr. Mangan further stated that the draft resolution is still under review by legal and they will come back before council and present them with a revised resolution, if necessary.

Mr. Mangan stated that there is one concern in that they don't know what the legislature is going to do. If they adopt an increase also, then we would be hitting people with two increases. He did point out, however, that there have been no fuel tax increases since 1993.

Councilman Kennedy asked if the fee increase would impact Highway 95. Mr. Mangan responded that it would not apply to roads maintained by the Idaho Transportation Department.

Councilman McEvers asked about who would be responsible for advertising and promoting this initiative if it were placed on the ballot. Mr. Mangan responded that in the rush to get the initiative on the ballot, they have not had a chance to discuss it yet, but would have from August to September to put together an advertising campaign. The advertising campaign would list projects that would be funded in whole or in part by the money. The money could also be used for matching funding on grants.

Councilman Kennedy stated that he would be more in support of the increase in fees if motorcycles and recreation vehicles were not exempt.

**MOTION by McEvers, seconded by Hassell, to recommended that council adopt a resolution calling for an election to approve or disapprove an increase in vehicle registration fees to fund highway maintenance and construction.**

**DISCUSSION:** Councilman Kennedy stated that in his mind it is another example of having to beg and borrow for funds from the state legislature. He would rather have a bed tax here so that the tourists can be funding some of these improvements. However, he stated that he doesn't want to impede the work of the highway districts. He would like to take another week to look at the proposal before the city council votes. Councilman Hassell stated that he agreed that it would be nice if the legislature would allow them some other options, however the legislature has made it very difficult for the cities and highway districts to do the projects that are required.

Councilman Kennedy further station that when council met with the county commissioners last week, one member of the commission was opposed to the initiative, not because it wasn't needed, but because the county is going to put a jail bond on the campaign this November and felt that the public would only have a certain amount of tolerance for new taxes.

Councilman Hassell stated that he supports the highway districts and feels the public should decide.

**VOTE: Motion carried.**

## **Item 2        Sole Source Procurement of Blue Water Equipment for WWTP Pilot Testing Consent Calendar**

Dave Shults, Capital Program Manager, presented a request for council authorization of sole source procurement of pilot testing services and equipment from Blue Water Technologies and publication of public notification in this regard. Mr. Shults explained that Wastewater staff and HDR Engineering

identified three different types of technology that will be thoroughly evaluated for selecting and designing the wastewater plant upgrade that will allow compliance with the new discharge permit. Many questions remain regarding the full scale performance and reliability under the variability of influent flows and loads. Therefore, the City made the decision to conduct a two year demonstration pilot to investigate the three different technologies under variable flows and loads conditions and operated by plant staff. This demonstration testing will deliver valuable information, not only with respect to meeting the effluent phosphorous requirement, but also in determining operating strategies, troubleshooting guidelines, plant maintenance requirements, and more accurate information on design parameters.

Mr. Shults stated that Blue Water is an emergent technology that has no equivalent and for that reason procurement of the test equipment is not conducive to competitive bidding. The other two technologies will most likely be competitively bid. He further confirmed that the \$3,000,00 budgeted for pilot testing is for the entire test program, including all three technologies. He is expecting that the total costs for the Blue Water equipment will be somewhere in the \$300,000 - \$400,000 range.

**MOTION by Kennedy, seconded by McEvers, to recommend council authorize the sole source procurement of pilot testing services and equipment from Blue Water Technologies and to publish public notification in this regard.**

**VOTE: Motion carried.**

The meeting adjourned at 4:38 p.m.

Respectfully submitted,

Amy C. Ferguson  
Public Works Committee Liaison

# **PUBLIC WORKS COMMITTEE**

## **STAFF REPORT**

**DATE:** June 23, 2008  
**FROM:** Gordon Dobler, Engineering Services Director  
**SUBJECT:** Vehicle registration fee increase

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### **DECISION POINT**

Council is being asked to consider whether or not to adopt a resolution calling for an election to approve or disapprove an increase in vehicle registration fees to fund highway maintenance and construction

### **HISTORY**

The Kootenai County Area Transportation Team (KCATT) which is the technical subcommittee of the Kootenai Metropolitan Planning Organization (KMPO) has recommended implementation of an increase in vehicle registration fees as a funding mechanism for construction, repair, and maintenance of roadways in Kootenai County. Per Idaho code, the increase must be approved by the voters in a general election. In order to get on the ballot, all of the highway jurisdictions within the county must request the County to place it on the ballot. To date all the highway districts and the City of Post Falls have endorsed that request.

### **FINANCIAL ANALYSIS**

The specifics of the proposal are shown in the attached draft resolution. Also, the attached spreadsheet shows the potential annual revenue to the different jurisdictions in the County. Per Idaho code these funds must be used exclusively for construction, repair, maintenance, and traffic supervision of highways. So these funds could be used for new construction and to supplement our street department and overlay budgets. These funds can be used at the discretion of the jurisdictions, within the requirements of the code.

In the past few years, the availability of federal funds for transportation projects in the state of Idaho has been substantially reduced. Sources of additional funds are constantly being sought to meet the continuing need for transportation construction and maintenance.

### **PERFORMANCE ANALYSIS**

We currently have several unfunded road projects that will require some kind of additional funding source in order to be constructed. KCATT is currently compiling a list of probable candidates; however there is no requirement that the funds be used by the jurisdictions on any specific roads. Furthermore, continued growth will create a growing need for maintenance and repair. Our current



overlay budget is \$630,000 and could easily double in the next 15 to 20 years. Additional road funds would be used to address these needs. Finally, a vehicle registration fee for roadway purposes puts the burden of construction and maintenance more directly on the facility users.

## **RECOMMENDATION**

Staff recommends that the Committee consider the issue and forward their recommendation to the full Council.

| ENTITY                                    | COUNTY POPULATION |             | PROPOSED ANNUAL SHARE (based on population) | Total Road Miles |             | PROPOSED ANNUAL SHARE (based on mileage) | Total Annual Amount for each Entity |
|-------------------------------------------|-------------------|-------------|---------------------------------------------|------------------|-------------|------------------------------------------|-------------------------------------|
|                                           | Population        | Percent of  |                                             | Mileage          | Percent of  |                                          |                                     |
| City of Coeur d'Alene                     | 44,761            | 29.36%      | \$370,423                                   | 210.00           | 14.40%      | \$181,665                                | \$552,089                           |
| City of Post Falls                        | 24,796            | 16.27%      | \$205,201                                   | 148.66           | 10.19%      | \$128,602                                | \$333,803                           |
| City of Hayden                            | 13,298            | 8.72%       | \$110,049                                   | 70.31            | 4.82%       | \$60,823                                 | \$170,872                           |
| City of Rathdrum                          | 5,612             | 3.68%       | \$46,443                                    | 48.00            | 3.29%       | \$41,524                                 | \$87,966                            |
| Small Cities                              |                   |             |                                             |                  |             |                                          |                                     |
| Lakes Highway Dist.                       | 25,061            | 16.44%      | \$207,394                                   | 261.393          | 17.92%      | \$226,124                                | \$433,518                           |
| Athol                                     | 916               | 0.60%       | \$7,580                                     | 7.673            | 0.53%       | \$6,638                                  | \$14,218                            |
| Dalton                                    | 2,391             | 1.57%       | \$19,787                                    | 23.499           | 1.61%       | \$20,328                                 | \$40,115                            |
| Hayden Lake                               | 993               | 0.65%       | \$8,218                                     | 6.50             | 0.45%       | \$5,623                                  | \$13,841                            |
| Spirit Lake                               | 2,092             | 1.37%       | \$17,313                                    | 29.40            | 2.02%       | \$25,433                                 | \$42,746                            |
| Worley Highway Dist.                      | 7,123             | 4.67%       | \$58,947                                    | 189.708          | 13.01%      | \$164,111                                | \$223,058                           |
| Worley                                    | 311               | 0.20%       | \$2,574                                     | 3.429            | 0.24%       | \$2,966                                  | \$5,540                             |
| Post Falls Highway Dist.                  | 14,761            | 9.68%       | \$122,156                                   | 200.74           | 13.77%      | \$173,656                                | \$295,812                           |
| Hauser Lake                               | 573               | 0.38%       | \$4,742                                     | 7.498            | 0.51%       | \$6,486                                  | \$11,228                            |
| Huetter                                   | 99                | 0.06%       | \$819                                       | 0.700            | 0.05%       | \$606                                    | \$1,425                             |
| State Line                                | 57                | 0.04%       | \$472                                       | 0.080            | 0.01%       | \$69                                     | \$541                               |
| Eastside Highway Dist.                    | 8,956             | 5.88%       | \$74,116                                    | 242.049          | 16.60%      | \$209,390                                | \$283,506                           |
| Fernan                                    | 180               | 0.12%       | \$1,490                                     | 1.22             | 0.08%       | \$1,055                                  | \$2,545                             |
| Harrison                                  | 462               | 0.30%       | \$3,823                                     | 7.45             | 0.51%       | \$6,445                                  | \$10,268                            |
| Idaho Dept. of Transp.<br>Kootenai County |                   |             |                                             |                  |             |                                          |                                     |
| <b>KMPO TOTALS</b>                        | <b>152,442</b>    | <b>100%</b> | <b>\$1,261,546</b>                          | <b>1,458</b>     | <b>100%</b> | <b>\$1,261,546</b>                       | <b>\$2,523,091</b>                  |

|                           |           |
|---------------------------|-----------|
| Total Collected @ \$24    | 3,153,864 |
| Admin. Cost @ 1.5%        | 47,308    |
| 18.5% to KMPO             | 574,713   |
| Balance to be distributed | 2,531,843 |
| 40% based on Population   | 1,261,546 |
| 40% based on Total Miles  | 1,261,546 |

RESOLUTION NO. 08-040

A RESOLUTION CALLING FOR AN ELECTION TO APPROVE OR DISAPPROVE THE IMPLEMENTATION AND COLLECTION OF A LOCAL VEHICLE REGISTRATION FEE IN KOOTENAI COUNTY.

WHEREAS, existing funding is inadequate to address critical transportation system needs within Kootenai County; and

WHEREAS, the Kootenai County Area Transportation Team has recommended implementation of a local option vehicle registration fee as a funding mechanism for roadways in Kootenai County; and

WHEREAS, Idaho Code 40-827 provides that an election to approve or disapprove the adoption of a vehicle registration fee increase may be called upon a request in writing from the governing board of each of the local highway jurisdictions in the county; and

WHEREAS, Idaho Code provides that local highway jurisdictions shall use the funds generated by a vehicle registration fee exclusively for the construction, repair, maintenance, and traffic supervision of the highways within their respective jurisdictions and the payment of interest and principal of obligations incurred for said purposes.

NOW THEREFORE BE IT RESOLVED AND ORDAINED:

1. That the City of Coeur d'Alene hereby calls for an election to approve or disapprove the implementation and collection of a local vehicle registration fee at the general election to be held on November 4, 2008.
2. That the rate of the local vehicle registration fee shall be \$24.00 and shall apply to:
  - a. Each motor vehicle, including pickup trucks, having a maximum gross weight not in excess of 10,000 pounds, designed for the purpose of carrying passengers,
  - b. Each commercial motor vehicle registered in Kootenai County, regardless of gross weight and purpose of use,
  - c. School buses operated either by a non-profit, non-public school or operated pursuant to a service contract with a school district for transporting children to or from school or in connection with school approved activities.
3. That motorcycles, recreational vehicles, and any motor vehicle that qualifies as an "Idaho Old Timer" or "Idaho Classic" under Idaho statute shall be exempt from the local vehicle registration fee.
4. That the duration of the local vehicle registration fees implemented and collected will be for a period of twenty (20) calendar years commencing January 1, 2009.
5. That those funds generated by the local vehicle registration fees will be used exclusively for the construction, repair, maintenance and traffic supervision of roadways within Kootenai County, together with any payment of interest or principal on any obligation incurred for said purposes.
6. That revenue from the local registration fee shall be disbursed as follows:

- a. 1.5% to the State of Idaho Transportation Department to cover costs of administration.
- b. 18.5% to be assigned to an inter-jurisdictional account reserved for regionally significant projects to be determined by the Kootenai Metropolitan Planning Organization (KMPO) Policy Board.
- c. 40% to be divided between cities and highway districts according to each jurisdiction's percentage of the total county population. Population estimates shall be determined by the Kootenai Metropolitan Planning Organization, and shall be updated following each decennial U.S. Census. Highway district population figures shall exclude any incorporated areas.
- d. 40% to be divided between cities and highway districts according to each jurisdiction's percentage of the total number of road miles in the county. Road miles attributed to each local jurisdiction shall be determined by the Idaho Transportation Department, and shall be adjusted following each decennial U.S. Census.

DATED this 1<sup>st</sup> day of July, 2008.

\_\_\_\_\_  
Sandi Bloem, Mayor

ATTEST

\_\_\_\_\_  
Susan K. Weathers, City Clerk

Motion by \_\_\_\_\_, Seconded by \_\_\_\_\_, to adopt the foregoing resolution.

ROLL CALL:

|                           |             |
|---------------------------|-------------|
| COUNCIL MEMBER BRUNING    | Voted _____ |
| COUNCIL MEMBER GOODLANDER | Voted _____ |
| COUNCIL MEMBER MCEVERS    | Voted _____ |
| COUNCIL MEMBER HASSELL    | Voted _____ |
| COUNCIL MEMBER KENNEDY    | Voted _____ |
| COUNCIL MEMBER EDINGER    | Voted _____ |

\_\_\_\_\_ was absent. Motion \_\_\_\_\_.

# PUBLIC HEARINGS

**CITY COUNCIL  
STAFF REPORT**

FROM: JOHN J. STAMSOS, SENIOR PLANNER  
DATE: JULY 1, 2008  
SUBJECT: RCA-12-08 – REQUEST TO CONSIDER ANNEXATION  
LOCATION: +/- 37,945 SQ. FT. PARCEL AT 2735 FERNAN HILL ROAD

**DECISION POINT:**

Steven B. Meyer is requesting approval of a Request to Consider Annexation of a +/- 37,945 sq. ft. parcel at 2735 Fernan Hill Road.

If the request is approved, the applicant may proceed with filing a formal application for annexation to the City of Coeur d'Alene. If the application is denied, the applicant must wait one year before filing the same application again.

**GENERAL INFORMATION:**





1. **Area of City Impact:**

The area of request is within the Cœur d'Alene Area of City Impact boundary.

2. **Contiguity with City Boundary:**

The area of request is contiguous to existing city limits.

3. **Orderly Growth:**

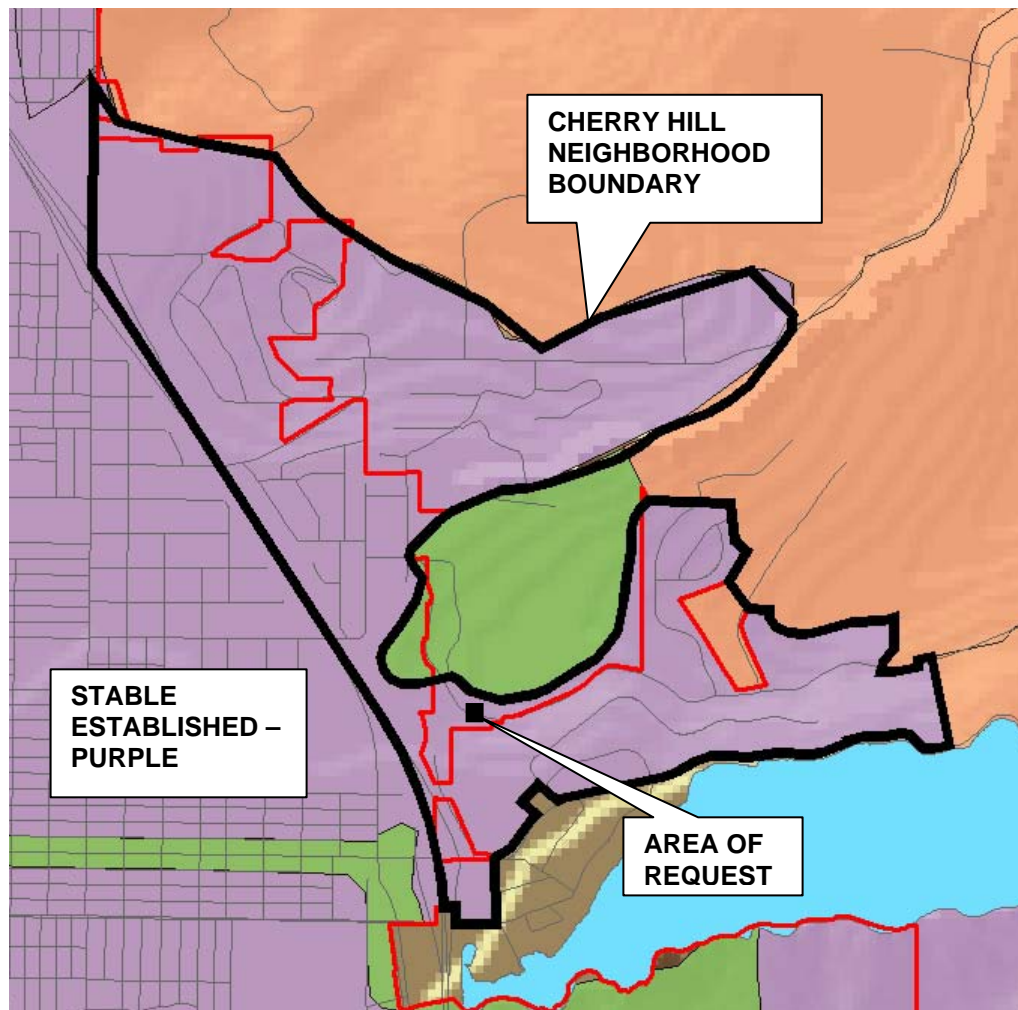
This request would bring a parcel served by City water into the City and also allow the applicant to hookup to the City's sewer system, as required by the Panhandle Health District, due to a failed septic system.

4. **Physical constraints:**

The parcel north of Fernan Hill Road is relatively flat and steep to the south.

5. **2007 Comprehensive Plan**

The subject property has a land use designation of Stable Established and is within the Cherry Hill Area, as follows:



A. **Stable Established Areas:**

These areas are where the character of neighborhoods has largely been established and, in general, should be maintained. The street network, the number of building lots and general land use are not expected to change greatly within the planning period.

B. **Cherry Hill:**

This area will continue to develop as a lower density single-family residential area with care taken to preserve natural vegetation, views, and open space on steeper slopes. Future development will present challenges in preserving open space and tree cover, and providing necessary infrastructure in the context of hillside development. As this area continues to develop, parcels not suitable for development should be preserved as open space through conservation easements, clustering, and acquisitions.

C. **The characteristics of Cherry Hill neighborhoods will be:**

- That overall density in this area will be approximately one dwelling unit per acre (1:1). However, in any given development, higher densities, up to three units per acre (3:1) are appropriate where site access is gained without significant disturbance, terrain is relatively flat, natural landforms permit development, and where development will not significantly impact views and vistas.
- Limited opportunity for future development.
- Developments within the Fernan Lake Watershed should reflect careful consideration of the impacts of the development on water quality in Fernan Lake.
- Clustering of smaller lots to preserve large connected open space areas as well as views and vistas are encouraged.
- Incentives will be provided to encourage clustering.

6. **Sewer:**

Council recently approved an agreement with the applicant to allow them to hook up to the sewer system because their septic system had failed. The agreement allowed the applicants to immediately hook up to the sewer system but required that they complete the annexation process at the City's request. The health district required that they hook up to the public sewer.

**ACTION ALTERNATIVES:**

The City Council can approve the request, with or without conditions, which would allow the applicant to file a formal application for annexation or deny the request, which would require the applicant to wait one year before filing the same application to consider annexation.