

Council President Russ Docherty called the regularly scheduled council meeting of March 20, 2007 to order at 7:00 p.m. He turned the meeting over to Mick Mellett. Present for the meeting were Council President Docherty, Council Members John Langs, Mick Mellett, and Dave Gray, Clerk Kris Larson, City Administrator Stephen Boorman, Police Chief Dave Kramer, Street Superintendent John Youngwirth, City Engineer Mike Klaus, and City Attorney Tim Wilson. Mayor Kerby was gone on personal business. Also present was Denny Wedel from Bonners Ferry Builders, Phil Boyd from Welch Comer, Steve and Deanna Galbraith, Ralph Byquist, Dave Anderson, and Gary Purdey.

Mick said Tim Wilson has informed the city that the council president can turn the meeting over to another member of council to conduct the meeting.

The first order of business was a fee increase hearing. Mick Mellett read the fee increase hearing notice to the group. Dave Gray commented that John Youngwirth has written a letter and requested that the parking fee be \$25.00 rather than \$20.00. Mick said he would like to discuss this at a later date. Tim said we couldn't change the fees for parking from what was published unless we have another hearing. Mick suggested that the parking fees be discussed later. Dave Gray moved to recess the hearing. Russ Docherty seconded the motion and it passed, all in favor.

Gary Purdey from the Lions Club spoke to council regarding the ATV Mud Run. He had come to City Hall to inquire about Police Officers attending the event and was told he needed to fill out a special event application and that he could request that council waive the fee for the permit. Mr. Purdey said there would be a mud pit in front of the grand stands at the fairgrounds and then there will be an obstacle course for the ATV's to travel. The arena will be quite wet to keep the speed down. The event is scheduled for May 5, 2007.

Steve and Deanna Galbraith presented a packet to council concerning their property on North River Drive. Steve said he received a letter from Stephen Boorman of the city stating that council wanted North River Drive to be open to the public. Steve said twelve years ago the road slid and it was relocated to the west and it now sits on their property. He wanted to make council aware of this. Mick said the issue will be deferred to legal council. Attorney Tim Wilson said the issue should be held for executive session or a later meeting.

Ralph Byquist spoke to council regarding the Farmers Market. He requested that the opening date of the market be April 28, 2007 rather than May 5, 2007 as previously requested.

Police Chief Dave Kramer said most of the burglaries have been solved and is hopeful that charges will be completed in the near future. Five arrest warrants have been served since the last meeting. One of the officers was bitten by a dog while responding to a dog bite call. The parties were cited for a vicious dog. John Langs inquired about the meeting with the Sheriff and Second Chance Animal Adoption. Dave said the meeting went well and he will have some options to present to council in the near future. He said

there are improved relations with Second Chance and he said we would be working together on many issues.

Russ Docherty moved to approve the consent agenda. John Langs seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of March 20, 2007 accounts payable; approval of February 26 and February 28, 2007 special council meeting minutes; approval of March 6, 2007 council meeting minutes; and March 16, 2007 special council meeting minutes; approval for Jason Schraufnagel to attend Hotline School in Grand Junction, Colorado from April 30 through May 3, 2007; approval for Tim English and Lawrence Drake to attend classes in Post Falls for basic math and surveying on April 26 and April 30, 2007.

Nothing to report on annexation.

Phil Boyd spoke to council regarding change order number two for the visitors center parking lot project. Phil explained the way the contract reads concerning procedures that are followed for change orders. There are three issues of concern including earthwork, placement of base rock, and paving. Paving and base rock issue – BF Builders requested additional material be delivered but the contract reads that the contractor will be paid for material delivered that meets the level and grade of the plans. Trip tickets for 650 tons of asphalt were delivered. There was .04 of a foot more asphalt put on the parking lot than what was planned. The plans called for .21 of a foot of asphalt and .25 of a foot of asphalt was delivered. The difference is about a half-inch more than was planned amounting to \$8,000 more than what was agreed to on the previous approval of change order number two.

Phil spoke about the excavation of the parking lot near the tunnel entrance and BF Builders chose to use different equipment than what was planned. Phil said Denny reminded him that BF Builders was putting forth extra effort for getting the grading done quickly to keep the parking lot open as long as it could be. So Mike Woodward and Phil agree that BF Builders should be paid for this. Mick asked how much more the cost was for the excavation. Phil said the quality of work of BF Builders should be taken into account and their working relationship with the city has been very good. Dave Gray commented on how far the expenses will go and how much the city will have to pay. Stephen said there is a contingency built into the project and the city has stayed very closely within budget. Dave said he is concerned about funding. Phil said the city is even with the costs on the project with BF Builders. Mick inquired if the cost would be \$2,980. John Langs asked who did the grading to cause the problem. Denny said it was the contractor. Denny said the job was site work and building and they contracted out the site work. He said BF Builders can ignore the contractor or pay the costs. Denny said the contractor is disagreeing with Phil's interpretation of the contract and has threatened to take the issue further. Denny is hopeful that the city and BF Builders can work out the issues. John Langs moved to table the issue of change order number two until the next meeting. Dave Gray seconded the motion. Dave Gray said he wants more time to absorb the information. Denny commented that the contractor is unhappy and has said that the issue will not go away. The motion passed, all in favor.

The group discussed the pay request that is unpaid for BF Builders that includes the original change order number two. John Langs moved to go forward with the pay request for BF Builders and authorize the Mayor to sign the document excluding change order number two. Dave Gray seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”. Phil will have the pay request rewritten and sent to the city for signature.

Mick spoke to Phil about cost overruns and the concerns that derive from the overruns. Phil said a graphical exhibit for the next council meeting and also a project budget overview would be helpful. Mick thanked Denny for the work BF Builders is doing for the city and said he likes the job he is doing.

Stephen spoke to council regarding the project overview for city projects. The hydro upgrade only has the automation portion left and some security issues to resolve. John inquired if it would come in under budget. Stephen said it will. He spoke regarding the Meeker parking lot and how it is difficult to complete this type of project that is highly in the public view. Mike Klaus said the street department has many issues to take care of and the parking lot project will have to take a back seat at times. Mick inquired about the surface. Mike said it will be a hot mix and a retaining wall is being installed similar to the retaining wall near the tunnel. The visitor’s center is close to being complete but the remainder of the sidewalks and irrigation will need to be completed. The landscaping will be the city’s responsibility. Stephen said some changes to the irrigation plan were altered due to the retaining wall having to be installed from the tunnel to Kootenai Street.

Stephen spoke regarding the regulatory projects that need to be completed. One is the backwash project and the other is the discharge permit at the sewer lagoon. The backwash project funding will run out by the end of September so there is urgency to get this complete. Mick inquired if there is urgency to have the Mayor contact DEQ on the discharge permit project. Stephen said the time may come but it is not necessary at this time.

Stephen said the zoning and annexation issues are time consuming but are being worked on by Mike Klaus. Dave Kramer inquired about impact fees. Stephen said the transportation plan is the biggest holdup for impact fees and the county is working on this now. The city will be a part of the county transportation plan.

Stephen spoke regarding water projects and how the long term financing is through USDA Rural Development and the construction phase is being financed by DEQ to be paid off by USDA when the project is complete. There is block grant funding for administration and engineering on the water tank project in the amount of \$391,000 through Department of Commerce. Phil spoke about the funding coming in from USDA Rural Development through grants and also grant funding through Department of Commerce block grant money. He spoke about the competitive nature of the block grant process. Stephen said the water projects depend on issues other than just construction because funding is an issue in the water fund. Phil said the cost of materials drove the

construction market up but if additional grant funding comes in from Rural Development we may still be able to complete the projects anticipated.

Mick commented on the fact that the city has completed many projects using grant funding that has saved the ratepayers huge amounts of money. Mick inquired about usage since the meters went in compared to historic usage. Stephen said winter usage has not changed historically. Dave Gray commented on rates. Mick commented that if grant funding had not come in to the city that the rates would have sky rocketed to pay for the projects.

Mick inquired about trees in the parking lot project. He asked about the budget for landscaping. Stephen said this has not been discussed yet. Phil said the history of the visitor's center project is important to go through. Dave Gray said he will not be present at the April 3, 2007 meeting. Phil and Stephen discussed a workshop setting for the review of the projects. Stephen will speak to the Mayor and set a date.

Steve and Deanna left the meeting at 8:17 p.m.

Mick commented that BF Builders should be commended on the work they have done for the city. Stephen said the quality of their work is impeccable.

Council discussed the purchase request for a laptop and docking station and Transcription Buddy software for recording minutes of the meetings for the clerk. John Langs moved to purchase the laptop and docking station and Transcription Buddy software for the clerk's office. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

The waiver of special event fees for the Lions Club ATV Mud Run was discussed. Russ Docherty moved to waive the fees for the ATV Mud Run special event. John Langs seconded the motion. The motion passed, all in favor. Mick Mellett commented that the city should be listed as an additional insured for the event.

Dave Kramer said the Police have installed donated partitions and painted in their department. They are requesting approval to purchase blinds for the windows in the police area. John Langs moved to purchase blinds from the lowest cost supplier. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Dave Gray “yes”, Mick Mellett “yes”.

Dave Kramer said there are currently four reserve officers. He would like to include two more. One is David DeSpain formerly from Bonner County and the other is William Cowell who is part of Cowell Tactical. These men would have to go through the reserve academy next January. Russ Docherty moved to appoint David DeSpain and William Cowell as reserve officers. Dave Gray seconded the motion. The motion passed, all in favor.

John Langs moved to authorize the Mayor to sign pay request #8 though the block grant for the water tank project engineering. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

John Youngwirth left the meeting at 8:30 p.m.

Mike Klaus spoke to council regarding change order #4 for the water tank distribution project. He said there are many unknowns in an underground project such as the water tank project and there were several items found during excavation of the water project. The total of the extra excavation costs is about \$5,000 according to Mike. Mike said the original cost of the project was estimated to be \$1.533 million and the bid came in at \$1.46 million. Phil said there was an error of about \$300 on this change order that was not included. Mick said the city has been made whole by BF Builders taking care of the items included on this change order. Stephen explained the process for change orders to council. The change order presented this evening was for \$5,078 and it is about \$500 short according to Mike Klaus and Phil Boyd. Russ Docherty moved to authorize the Mayor to sign the pay request #4 for up to \$5,700 with verification from the engineers. John Langs seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

Phil explained the contract document drives the process that is followed on projects. Dave Gray commented that he appreciates the good people that the city has working on the projects and the good information that is provided.

Larry Owsley joined the meeting at 8:38 p.m.

Larry Owsley gave the fire report. There was a vehicle accident that the fire department assisted the police department with. The fire station is out of power due to a burnt transformer this evening.

Mick Mellett recessed the council meeting and reopened the fee increase hearing. There was no further comment. Russ Docherty moved to close the hearing at 8:48 p.m. Dave Gray seconded the motion. The motion passed, all in favor.

Dave Gray moved to approve the fees as presented on the fee increase hearing notice with the exception of the parking lot fees. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Dave Gray “yes”, Mick Mellett “yes”. Mick said he has concerns with renting or leasing parking lot spaces in the city parking lot so he would like to discuss the issue at a later date.

Mick Mellett moved to go into executive session at 8:54 p.m. per Idaho Code 67-2345 to discuss personnel and legal issues. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”. At 9:52 p.m. Dave Gray moved to go out of executive session. Russ Docherty seconded the motion. The motion passed, all in favor. No action was taken.

There being no further business, the meeting adjourned at 9:53 p.m.

Russ Docherty, Council President

Attest:

Kris Larson, City Clerk