

A Meeting of the Meridian City Council was called to order at 4:31 p.m., Tuesday, November 22, 2022, by Mayor Robert Simison.

Members Present: Robert Simison, Joe Borton, Treg Bernt, Brad Hoaglun and Liz Strader.

Members Absent: Luke Cavener and Jessica Perreault.

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Steve Siddoway, Crystal Campbell, Tracy Basterrechea, Joe Bongiorno and Dean Willis.

ROLL-CALL ATTENDANCE

<input checked="" type="checkbox"/> Liz Strader	<input checked="" type="checkbox"/> Joe Borton
<input checked="" type="checkbox"/> Brad Hoaglun	<input checked="" type="checkbox"/> Treg Bernt
<input type="checkbox"/> Jessica Perreault	<input type="checkbox"/> Luke Cavener
<input checked="" type="checkbox"/> Mayor Robert E. Simison	

Simison: Council, we will call this meeting to order. For the record it is Tuesday, November 22nd, 2022, at 4:31 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item up is the adoption of the agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Move adoption of the agenda as published.

Borton: Second.

Simison: I have a motion and a second to adopt agenda as published. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the agenda is adopted.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

CONSENT AGENDA [Action Item]

- 1. Approve Minutes of the November 9, 2022 City Council Regular Meeting**

- 2. Final Plat for Foxcroft Subdivision No. 1 (FP-2021-0049) by Kent Brown Planning, located at 3515 W. Pine Avenue and the surrounding property south of Pine and east of Ten Mile Creek**
- 3. Final Order for Apex Northwest Subdivision No. 3 (FP-2022-0032) by Brighton Development, Inc., generally located in the northwest corner of Locust Grove Rd. and E. Lake Hazel Rd.**
- 4. Findings of Facts, Conclusions of Law for Bridgetower Multi-family (CR-2022-0006 and H-2022-0047) by Alpha Development Group, located at S0427438410 on the north side of W. McMillan Rd. between N. San Vito Way and N. Vicenza Way, near the northwest corner of N. Ten Mile Rd. and W. McMillan Rd.**
- 5. Fiscal Year 2023 License Agreement for Meridian Police Department K9 Training at Ada County Weed, Pest, and Mosquito**
- 6. Subrecipient Agreement Between City of Meridian and Boys and Girls Clubs of Ada County, Idaho, Inc. for Program Year 2022 Community Development Block Grant Funds**
- 7. Subrecipient Agreement Between City of Meridian and Children's Museum of Idaho, Inc. for CARES Act Community Development Block Grant Funds**
- 8. Approval of Bid and Award of Contract to Bicon, Inc. for the Locust Grove Sidewalk Widening project for the Not-To-Exceed amount of \$ 433,000.00**
- 9. Approval of Blanket Purchase Order #23-0098 to Ferguson Enterprises for FY23 Sensus Water Meters and Related Equipment for the Not-To-Exceed Budget Amount of \$1,365,721.00**
- 10. City of Meridian Financial Report - October 2022**

Simison: Next item up is the Consent Agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move approval of the Consent Agenda and for the Mayor to sign and Clerk to attest.

Borton: Second.

Simison: I have a motion and a second to approve the Consent Agenda. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the Consent Agenda is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There are no items move from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

11. Mayor's Office: Net-Zero Budget Amendment in the Amount of \$517,466.00 to Accept the Fiscal Year 2023/Program Year 2022 Community Development Block Grant (CDBG) Award

Simison: So, we will go on to Department/Commission Reports. First item up is Item 11, a Mayor's office net zero budget amendment in the amount of 517,466 dollars. We will turn this over to Crystal Campbell with -- for comments.

Campbell: Thank you, Mr. Mayor, Members of the Council. This is a net zero budget so that we can request spending authority for the CDBG funds that we submitted the action plan for in August. We don't get our grant agreement until usually October, early November, and so we can't include it in the budget process. That's it.

Simison: Thank you. Council, any questions for Crystal?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I move -- feels like regular course of business. I move that we approve the net zero budget amendment in the amount of 517,466 dollars.

Bernt: Second.

Simison: I have a motion and a second. Is there any discussion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, absent; Bernt, yea; Perreault, absent; Hoaglun, yea; Strader, yea.

Simison: All ayes. Motion carries and the item is agreed to. Thank you, Crystal.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

12. Police Department: Fiscal Year 2023 Budget Amendment in the amount of \$(219,464.00) for Reimbursement of Anti-Drug Coordinator position through Fiscal Year 2027

Simison: Next item up is the Police Department fiscal year 2023 budget amendment in the amount of 219,464 dollars. I will turn this over the Chief Basterrechea.

Basterrechea: Yeah. This budget amendment is part of the opioid settlement. We were given the first four years in a block sum and this is to go to pay for one of our anti-drug coordinators positions.

Simison: Thanks you, Chief. Council, questions?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Is the reference in the agenda to through 2027 -- is the -- is the budget allocation divided --

Basterrechea: Yes. This -- the first four years, yes. It would be allocated each -- each year.

Borton: So that amount --

Simison: Council Member Borton.

Basterrechea: It would be divided by four. Yes.

Borton: Okay. Thanks.

Simison: Councilman Bernt, did you have an additional question?

Bernt: I'm just -- I'm just --

Basterrechea: Turn your mic on.

Bernt: I'm just playing the stink eye game with, you know, the good friend.

Simison: Well, get it in while you can.

Bernt: I won.

Simison: Any additional questions for the chief?

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move approval of the fiscal year 2023 budget amendment in the amount of 219,464 dollars for the Meridian Police Department.

Strader: Second.

Simison: I have a motion and a second to approve Item 12. Is there any further discussion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, absent; Bernt, yea; Perreault, absent; Hoaglund, yea; Strader, yea.

Simison: All ayes. Motion carries and the item is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

13. Parks and Recreation Department: Parks and Recreation Cost Recovery Model

Simison: Next item up is Item 13, which is our Parks and Rec Department. The cost recovery model. We will turn this over to Director Siddoway.

Johnson: Steve, press the top right corner. It looks like it's red on your screen. Is it green?

Siddoway: Test one. Two. There we go. Okay. Thank you, Mr. Mayor and Members of the Council. Teresa Jackson is online. She's going to present the -- to you regarding the -- our cost recovery model. Teresa has presented to you twice before this year and as we have been developing this model we have hosted two public workshops, including sorting sessions that were, then, reconciled together and presented to Council earlier this summer. Since that time we have incorporated the Council's feedback that we got, the primary point of which was moving Lakeview Golf Club from Tier 4 to Tier 5 as requested. We have also worked with Finance going through all of the cost recovery information and completed that model. We have confirmed that the model is in harmony with existing cost recovery policy and so Teresa will present to you tonight via zoom, with a focus on the updated cost recovery pyramid. If you remember the pyramid model. At the end of the presentation what we are hoping for and seeking is approval of that pyramid to guide us moving forward and, again, we have been working -- working closely with Finance to ensure that the pyramid aligns with the current finance policy for cost recovery as well and with that I will turn this over to Teresa.

Simison: Thank you, Steve.

Jackson: Thank you, Steve. Mayor, Members of Council, it's a pleasure to be here with you again today. I had a little bit of a challenge with getting my PowerPoint up. Could you just give me a thumbs up if you are able to see it there? Okay. Fantastic. So, again,

pleasure being here with you today. The focus really for today's conversation is to give a very high level project overview and touch on the process and, then, really focus a lot of our time and attention on the study outcomes and as Steve mentioned, really, the driving factor of the study was to ensure that department programs and services are really aligning with the city's user fee and charges development policy. So, that's a policy you have in place and so throughout this study we were really trying to connect that existing policy in a way that allows the department to perform in a way that's already been approved by the city and, fortunately, the current policy that you are using aligns very well with the pyramid methodology and that's something I have shared with you in previous presentations. So, today we will talk about that process and that alignment and that focus there. We will go over the current cost of service, the current cost recovery and, then, some of the recommendations from the study.

Strader: Mr. Mayor?

Jackson: So --

Simison: Council Woman Strader.

Strader: Just a quick question for you, Teresa. Do you prefer questions all along as you are going if we have read it or did you want to wait until the end?

Jackson: Yeah, It's -- if the Council is amenable, if we could do questions at the end in that there are a couple of slides that build off of each other and so we may find that those questions are answered as I'm moving through.

Simison: Okay. Continue.

Jackson: Okay. And it's a -- it's a short presentation in a sense, so that we have ample time for questions. So, just starting back at the beginning and -- and hitting on just highlights from the project. So, the study was done over the course of three workshops. We kicked off the project in February of '22. We had an orientation with the team during February as well. That's our workshop one. And as we went -- as we were moving towards workshop two, which occurred in April, prior to that we took a look at all of the programs and services that are provided by the department and worked to create categories of service. So, these are, essentially, the large buckets that replaced and sorted onto the pyramid. Then as we went into workshop two we were prepared to sit down with staff, as well as the public, to have those categories sorted onto the pyramid. Then in workshop two we took a look at the current cost recovery. There was quite a bit of analysis done between workshop two and three. In workshop three we looked at what that current cost recovery is at the program level, at the category level, and, then, ultimately, the tier aggregate and I'm going to explain that in more detail, but I wanted you to kind of have a sense of the stages that we went through with this process. So, we have talked about previously this study is really based on the pyramid methodology and it's really just a framework for the study. It's essentially a continuum -- continuum, excuse me, and those programs and services that have the most community benefit -- that's the

first filter we look at when we are reviewing programs and services. Those make up the foundation of your pyramid and are really core to -- core to the department and as you move up the pyramid the benefit to your taxpaying community is lesser and lesser and when you get to the top of the pyramid those programs and services there are typically very individualized. So, that's quite often where we see things such as private swim lessons or concessions, things of that nature. So, again, this was the framework that was used, but we really did try to draw that connection to the city's existing policy and, fortunately, there you also have a five tier approach. So, the alignment throughout you will see is very solid. So, as I mentioned we developed those 20 categories of service to represent everything the department does. So, this is an example of what a category looks like. We have a clear name, followed by a definition and some examples and these are examples of categories from this study and these are what were sorted and placed on the pyramid, both by staff as well as the public, and during our public sessions we had two in-person and one virtual. We did have 24 community members attend. So, once the pyramid was built and that was something we shared in the last presentation, we started to dive into the current cost of service. So, we took a look at FY-21 specifically, took a look at 400 programs and 4,100 rentals and we associated the direct cost for each of those programs and rentals, as well as the revenues and so with the direct cost those are the expenses that really wouldn't exist if the program went away. So, we didn't associate any indirect cost in the exercise. So, some of our key findings. So, this is the -- one of the most valuable and critical pieces of the study on the whole. So, there is a lot happening here on this slide. You will see in the first column -- in column we have those pyramid tiers. So, that one is that foundation, that core level and as you move up you move up to Tier 5. The second column represents the terminology that's used in your fees -- or your user fee and charges development policy. So, again, you have that same five level structure and so a Tier 1 program ties into a no cost recovery method within your policy and similarly as you go up more and more cost recovery is introduced until you are at the top of the pyramid or your top level, which is full cost recovery. So, what you see in column three, which is circled in red, is the department's current cost recovery by tier of the pyramid or method of cost recovery. The next two columns represent what the -- the range that's been identified through your existing policy and, then, finally a recommended goal, working within, again, your policy. So, what are some of the outcomes here? So, when we look at Tier 1, those core programs that typically don't have cost recovery associated with them, you are at one percent. So, you are slightly above your range. Looking at Tier 2, that minimal cost recovery, your range is one to 49 percent. The department is recovering at 52 percent. Looking at Tier 3 your range is 50 to 79. Department is at 90 percent. At Tier 4, little work to be done here potentially. Your range is 80 to 99 percent. Current cost recovery is within the range, 92 percent. And, finally, Tier 5, full cost recovery, a hundred percent. Department is performing at 84 percent. And that recommended column that I referenced working within your policy -- really what we are showing here is the department should strive for the max end of that range that you have pre-identified. So, that little work in Tier 4, it's really shifting over the next five years from that 92 percent to 99 percent and, then, ultimately, in Tier 5, which we are going to spend some time on here in a moment working towards that hundred percent cost recovery on the programs and services that are there. So, taking a step back, because I -- obviously, it's very important to understand what's in each of these tiers or

methods of cost recovery if you will. So, this is the pyramid that we did share with you in the last presentation, but there is a few things I want to hit on here. So, there has been one modification and that's relative to Tier 5. So, the Lakeview Golf course was a challenging category to place for both the public, the -- the staff and the Council. We saw everything from two to five with Lakeview and so we took -- when we are looking at categories that are a little more difficult to place, there are other filters that we can run them through. So, that it's -- the only focus isn't the benefit to the community. We can look at the access to the service. We can take a look at if it's really the organization's responsibility to provide the service and, then, also what's the impact if the service went away and so through our conversations related to Lakeview, ultimately as it relates to access, it's specialized and those are typically your programs and services that are in that Tier 5. When we look at the organizational responsibility there is five levels there as well. The top level being questionable. It's not always within the course of business for a public entity or a park and rec department to offer golf to the community. So, we see that as questionable being up as at Tier 5 and, then, impacts do not provide through discussion, that's more of a limited if it went away and that also aligns with those programs and services that are most commonly found in Tier 5 and so, ultimately, the project team through discussion came to the consensus that really Lakeview fits -- is most suited and fits best with the other categories in Tier 5 of the pyramid. So, something else that you see on this view of the pyramid is prior views only showed you that category placement. This view is also showing you the cost recovery by category and it's showing you the tier aggregate. So, how are all of those categories performing within that tier and, then, finally, that tier target that's represented, that's really coming directly out of your pre-existing policy. So, you can see with the first four tiers of the pyramid the department really is in alignment with your existing policy with the work that they are doing. Tier 5 is the only category that's falling short, but what this also shows you, because you can see the cost recovery by category, is you can see what category is driving into your aggregate or what is holding back and in this view it does seem as though Lakeview is pulling that tier down. But a couple of things to highlight here. We looked at FY-21 and so for FY-21 that's when there was a lot of changes -- changes happening operationally and, additionally, with Lakeview we did count indirect cost with it. It is very common to count indirect when we are talking about the golf courses or things that are typically seen as enterprise. So, within that 82 percent we have -- we are looking at FY-21 during operation changes. We are looking at indirect cost and it reflects ten months of operation, because of the snapshot in time we had. So, when I highlight that, because as we have continued to develop recommendations and we have seen some reporting on Lakeview for 2023, it's all ready pushing towards reaching that goal of a hundred percent cost recovery. So, this snapshot in time for that specific category does not fully represent everything that's happening currently at Lakeview. So, the next piece I want to go through is some of the key findings and recommendations, but maybe there would be a benefit to the Council if I were to pause for a moment and take any questions kind of in this -- this section. Would that be helpful?

Simison: Council, any questions?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. This is a helpful explanation. So, if we were to adopt the recommended goals for each tier, what does that do to our blended cost recovery overall, would be my main question.

Jackson: Yeah. So, primarily through this process we are asking Council to adopt the pyramid, in that part of your existing policy calls out that each -- each department will work with Finance to develop a process for where each of their programs or services fall within your policy or within the five methods that have been pre-identified and so what we are doing here is we are looking at all these programs and services and we are trying to get them aligned within your current policy, but we have used this pyramid process as that framework and so if you will -- if we look at that Tier 1, parks and pathways. So, what we are saying is by approving this pyramid that that would fall into a no cost recovery method of your policy.

Cavener: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. No. I understand. I -- I guess what where I'm confused is -- I just want to pull up -- and maybe now is not the time, you know, maybe Finance needs to run through the pyramid with everybody and like say, okay, based on 2021 usage if we were to enact these goals and we had similar usage going forward, what would the blended cost recovery be to the city and I guess just directionally I would hope, right, because our cost recovery for the most part is going up, although on Tier 3 is going down, I would -- I would hope that our cost recovery is going up overall. I -- I'm just looking for some direction on what -- what would this do to the aggregate; right? Like on a blended basis if -- if usage of these assets that the city provides was consistent, what would happen.

Jackson: Yeah. So, on the cost recovery going down piece, because if you look at Tier 2 and Tier 3, you are currently performing above the range that's identified in the policy. We don't have recommendations to bring any of your fees down. This is the opportunity for those programs that are providing a significant benefit to your public to perhaps enhance them. So, that could take a variety of paths. So, it's, you know, maybe reducing your staff ratios and having another staff person available or adding field trip, but also with the inflation cost that -- that is occurring, ultimately it may just mean that a fee doesn't go up, because you are already working within that range.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Okay. I'm starting to track with you. So, what you are saying is if a fee is already above a cost recovery target it is unlikely to be lowered, it will probably stay the same. You might adjust the resources that we put into that tier to reflect the cost recovery

appropriately. But I guess, you know -- I don't expect you to answer this question in this meeting. Just as a follow up. But I would like to know if -- if 2021, for example, was an example of a benchmark, if we had followed these goals where -- where would we end up overall? Because the only reason I'm asking is I'm just like a high level person and I just want to know is the city going to -- would the city ultimately have to come out of pocket? It sounds like the answer is no, but, you know, are we overall expecting to recover more, less, the same -- I -- I would think we could answer that. But it's not -- you don't have to answer it right now, but it's just a --

Simison: I think that's probably a question for Steve or, quite frankly, is what this Council agrees to, honestly. That's the best answer. Because I think if we are within the bands that you established, we are not going to try to collect more, but if you want to -- if you want to adjust the bands as an example, I don't see any reason why this Council couldn't say we want to adjust the bands northward of all of these if that's your direction, to generate more cost recovery. Correct, Steve? I will let you -- I didn't mean to answer, but --

Siddoway: First of all, let me see if I -- I think part of your question is what's the overall combined cost recovery. Is that part of your question? And, Teresa, I'm going off memory here, but I believe our combined cost recovery for everything is about 33 percent; is that right?

Jackson: That's correct. When we just look at direct cost.

Siddoway: Yes. And you also have a number -- my next question was, well, how does that compare to other cities our size nationally and you had a number for that as well. Can you share that --

Jackson: That's 26 percent.

Siddoway: Twenty-six percent. So, we are doing better than -- than national average for cities our size in terms of cost recovery, which is great news. I would expect that we wouldn't be trying to reduce our cost recovery, but to maybe add more resources, benefits -- I don't know. We -- we -- we would have to figure that out moving forward. What -- we have -- what we have adopted in terms of the ranges is based on the city's adopted policy in Finance. It doesn't mean it can't change. It doesn't mean they can't go up. But I would expect given the idea that I think we are performing well, that we would continue to perform similarly, unless there are specific examples of where Council would like us to target more.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. No. That's perfect context. So, we are recovering 33 percent of our direct costs now. That is better than most cities our size. Thank you. That sets the stage of

the question. And, then, it sounds like there is not really -- there is not really a rhyme or reason besides that we have a policy in place that sort of reflects these cost recovery percentages. I'm assuming at some point someone did some research on what percentages they thought were appropriate. As a person just looking at it who is not an expert on cost recovery, I -- I'm not going to be able to give you feedback that, yes, Tier 3 shouldn't be 79 percent, Tier 3 should be 77 percent; right? I just want to make sure that if we adopted the recommendation it wouldn't put us in a bad spot. That's all I'm trying to check, so --

Siddoway: My opinion is this puts us in a really good framework for moving forward and, again, this -- and it can also be a conversation; right? There is an annual fee discussion that -- that Finance brings to you every year and this can be part of that -- that conversation and adjusted accordingly, but I would propose that this is a good starting point.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. And I -- I think as long as -- as long as no one is saying, for example, 75 percent of the services we provide and the fees that we currently get, you know, recovery for our Tier 3 and we are lowering the recovery, so we may lower our fees -- as long as no one is saying something like that, which would give me concern --

Siddoway: Yeah.

Strader: -- about a -- a gap -- I just don't want an air ball in there. As long as that's not the case, which it sounds like it's not, I think I'm okay to bob along with kind of setting tiers and seeing how it goes and that -- that's fine. But it wouldn't hurt to have Finance run the recommendation through, but -- but thank you. That answers my question for now.

Simison: Thank you. Council, other questions for either Steve --

Hoaglun: Mr. Mayor?

Simison: -- or Teresa? Yes, Councilman Hoaglun.

Hoaglun: We saw that last slide with the pyramid -- move that back up. I was just curious -- do you recommend that you try to hit the tier target within every single item within the items that are identified or you might have say youth camps in the -- in the number two permitted special events, youth camps, field rentals. You know, it might be that's very labor intensive and it carries 76 percent of the load and we get the other ones lowered or to the point where, yeah, we are in that 49 percent. Do you occasionally have one that carries a bigger load or do you try to get every one of them to that -- that -- in this case 49 percent?

Jackson: So, ideally, the department can strive over time to get all of the categories within the range. When you are beginning down this path it is more about the tier aggregate. The increase -- you have to look at market rate. Fee increases could actually hurt you in some cases if individuals can find other service providers. So, it is a balance. In some cases raising fees might hurt your program more than help it and so we have some recommendations in here as to how to address some of these specific categories, but first and foremost it is about how the tier on the whole performs and making sure it's within the range and a large part of this -- this exercise in a sense for Meridian is that the existing policy says these are the five methods of cost recovery. Well, when you look at Parks and Recreation, it does so many things. So, it doesn't easily fit into one method. It's natural for parks to perhaps be no cost recovery. But when you start talking about swim lessons, day camps, and all of these things. So, part of this was this exercise to say where do these things fit, because Parks and Rec does so many different things.

Hoaglund: Thank you, Teresa.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Teresa, can you show me where the pool is in the analysis? I didn't see it on the pyramid.

Jackson: Sure. So, the pool ends up in a number of categories. So, first you have the swim lessons there as a balanced community benefit. As it relates to just drop in use of the pool, that falls in Tier 2, the monitor drop in use. And so that Tier 2 right -- right now it is performing with the 52 percent cost recovery. Pools can be an expensive undertaking. I'm sure as you looked at taking the pool on you knew those expenses that were coming along with it. So, you could see that tier aggregate drop once the pool comes online and, then, private swim lessons may be something that you offer in the future and those are up on Tier 5.

Borton: One other question, Mr. Mayor?

Simison: Councilman Borton.

Borton: On your earlier comments on the tiers you spoke of the public input that was provided and in particular Lakeview Golf Course and the group -- groups that you visited with from the public that identified Lakeview as a Tier 2 or 3 or 4, as well as 5, what was the reasoning behind discounting or not incorporating the twos and threes and fours in some overall weighted decision on what tier it should be on?

Jackson: So, when you look at the collective average from all the scoring, it did fall as a four initially. It was through further conversation that that one was determined to fit more alongside those categories that are within Tier 5.

Borton: Internal staff conversation or -- or from us?

Jackson: Yes. As we were looking at recommendations and looking at where current cost recovery is and -- and because of the uncertainty with that -- when we look at the range of scoring -- and that was the only one that had a two to five when you had -- is significant differences in how the public felt and so it called for more conversation.

Simison: Mr. Siddoway.

Siddoway: If I could add to that. So, the -- I think the different groups had it in the two to four range. The weighted average, as she stated, was in the five range. Sorry. The four range. It was in the four. We brought that to Council this summer as a four and the feedback that we heard was that it ought to be five. If we misheard, you know, that -- that's what tonight is about. If it should be four, let's talk about whether it should be a four or a five. You know, it's -- the tier -- based on the FY-21 numbers, which this study was based on, because this was -- has been going on most of the year. We didn't have FY-22 numbers. It was at that, you know, 82 percent range. It's been performing better. I have been sharing some of that good news with you over the year. So, I was a little concerned about the mixed messages. Hey, we are at a hundred percent plus. No, we are at 82 percent. Well, we were at 82 percent for FY-21. We are at a hundred percent plus right now for Lakeview at direct cost. Again, that doesn't include factoring in the cost for the construction projects and capital elements, but for operations we are -- we -- we are at the hundred percent plus today. So, given that we have been able to successfully do that and based on the feedback we heard from Council last time, we felt comfortable saying, yeah, I think this could be in Tier 5. So, we put it in Tier 5 to bring back to you to say, hey, we -- we -- we listened, we moved it, but tonight's discussion is to determine should it be Tier 5 or in Tier 4.

Borton: Okay. Thanks.

Simison: Council, any additional questions at this time before we proceed with the rest of the presentation? Okay. Teresa, you can continue.

Jackson: Okay. So, just a couple more slides to highlight some additional key findings and recommendations or outcomes and these are summary snapshots of some of them, the more valuable recommendations that we wanted to share with Council tonight. So, key findings are on the left-hand side. So, first, the department wishes to align its cost recovery practices with the existing policy and so that's what we are -- we are here tonight seeking Council approval on the pyramid as the fundamental component of the cost recovery philosophy. There is an opportunity to increase awareness of the department's scholarship program. So, through the process we did hear and learn that there are some barriers to access that can be worked on and if fees were to increase we want to make sure that scholarship opportunity is available and accessible and so recommending additional marketing to increase awareness. There are some challenges with cost accounting at the activity level and it does require some refinement. The department has an excellent relationship with Finance, but when we start going down to that program level

there is a higher level of tracking that needs to be done to carry this forward into the future. Now, the team, as you can see, they were making the cost recovery goals and the range. So, internally they do have a strong methodology, but there are some improvements that could be made to make things a little bit easier moving forward into the future and consistent across the different sections within the department. Another key finding -- deliberate and timely fee setting and adjusting as necessary for a sustainable system and so this is with -- with all agencies. Quite often we roll over our -- our fees each year and what we really want to hone in here on is that each year you are taking a hard look at that fee and your expenses looking at that cost recovery and making annual adjustments as needed. Also making sure you are managing program lifecycles and replacing underperforming services. And, then, as the team currently does coming to Council annually through the -- the annual fee adjustments that's done through Finance. Actually, I think they do that tri-annually. So, continuing with that process to ensure that programs are continuously evaluated. And last, but not least here, just continuing to use best management tools to further evaluate cost recovery and so here we really want to make sure our staff is engaged in budget development and that's something that is already in place with the Finance Department. So, staff has an annual training. It really keeps cost recovery on the forefront and ensures that they are really looking at each program at a high level and as new programs are coming on, especially with the aquatics addition that you have, that they are continuously evaluating the performance and current cost recovery. Also encouraging the department to explore alternate funding sources that align with their mission and, then, continuing to provide opportunities, such as Workshop 2, for community input and so that could take the form of really program evaluations. Again making sure those programs are the best suited for the community in what they are looking for. So, again, those were somewhat high level. The -- the key piece here going back to aligning -- really those categories of service with those five methods of cost recovery from your existing policy is the goal and the final recommendation for the study and I will put the pyramid back up as we go into questions here.

Simison: Thank you, Teresa. Council, additional questions, having seen the rest of the presentation? Yeah. That was -- she's done with the presentation. Yeah. Yeah.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Not a question, I guess just some discussion on the pyramid.

Simison: Discussion. Yeah.

Borton: Teresa, thank you for this and all the work that's gone into it and the input that you have got. It's a helpful long-term structure, some bones to how we set these rates. But there is certainly, as you have identified in earlier discussions, some overriding policy considerations that go into putting one in blue versus green versus purple; right? Which in -- to a large degree comes from us and so I will share a couple of those. One of the items in here -- well, one of the distinctions on the tiers, which all make great sense, I

think a tier target of -- I'm looking at number four. A tier target of -- of level four being 99 percent and level five being a hundred percent, I mean that seems -- I -- I don't -- it's a little too close. I don't know why it would necessarily need to be -- it's a distinction, really, without a difference between four and five if -- if we are looking at trying to make that 99 percent recovery. It's probably going to be a bigger gap than that, which from a policy consideration I wouldn't be worried about. One of the remarks that was made earlier -- I think what has made Meridian successful to a large degree is -- is we all benefit when a kid takes a sports class or an adult takes a rec class or play in programs that we may never go to, but happy engaged citizens benefit everybody. Businesses. Our law enforcement. It really does. It just -- it just makes for a better, stronger community. So, I love cost recovery, but I'm very sensitive to that and see benefit to our whole community from every single one of these activities. I don't really see anything totally individual. One of the benefits that I think is our whole community for certain swim lessons and if I were to move something for me, I think swim lessons would move down. I would either recover less of the cost or scholarships -- your comments something that we certainly want to promote. We should be trying to encourage everybody and anybody to get into those programs. So, that stood out for me. And, then, I have always been talking about the golf course as -- as an item of -- of concern and if it's stay -- I think it's a Tier 4, but if it stays at Tier 5 I'm a huge advocate for some tiering of the cost and which isn't part of this discussion, but it's going to come up real soon to this Council is -- is when we are just determining how to recover the cost for the golf course, that we have -- even if it's -- and I have mentioned this to the Mayor and Steve -- have a -- an annual pass fee that is X for residents and X plus something for nonresidents. Our residents have paid seven figures in tax dollars saved over the years to beautify this and turn it around. It's an easy perfect opportunity to -- to say thanks, quite frankly, to our resident taxpayers. So, if that can be built into how we do cost recovery for Lakeview, annual passes, trail fees, that is not a complicated way to do it, whether it's in Tier 4 or Tier 5. So, those are -- those are my thoughts on it. I like the -- I like the pyramid approach. I like the bands. I probably would have some separation realistically between the recommended -- recommended recovery percentage than what you -- than what you had stated, Teresa, just because I think that distinction is worthy. I would encourage swim lessons and I would create some residency for -- residency benefits for the golf course usage.

Borton: Mr. Mayor?

Simison: Councilman Hoaglund.

Borton: Yeah. I like the process that we have here and give you something to work on and -- and to look at and to break down. It gives you some consistency. And there are difficulties, like -- like the Golf Club and -- and I was thinking about changes in that, because is -- is it like a pool -- not from the standpoint of swim lessons that I think -- like you articulated, Councilman Borton, that swimming -- learning how to swim is very very important, but the fact that it is a community benefit, but not everyone's going to partake in that -- that benefit and -- but you go to the Golf Club and you take private or semi-private lessons, that's going to be a Tier 5. Certainly very very individual. But the opportunity to have and go play a round of golf is a recreational opportunity -- I think that

-- that's -- yes, it's a considerable individual benefit, but it's not fully one hundred percent, it's -- it is a recreational opportunity like many others where we develop softball fields, basketball courts, horseshoe pits that not everyone does. So, for those types of activities a round of golf could be a -- a four. So, you know, trying to parse out some of these things and -- and your idea about the different fee structure within that round of golf and season passes, I think that has some merit and warrants a look at. So, it's -- it's a good -- good thing. We will just have to work through that process and -- and figure those out and -- and I do agree it is -- it is odd that you have 99 percent target and a hundred percent target and there is not a band -- a difference there. You know, you look at and go should that be 90? Just -- just an interesting thing when you see the jump from zero to 49, okay, then, you get a 30 percent jump and, then, a 20 percent jump and, then, a one percent jump. So, just -- yeah. Very -- very compressed. So, just something we can -- we can work through.

Simison: Any additional comments from Council before we -- then I will just add in -- in addition, I -- you know, I don't disagree with anything that anyone has said in that regard, so I think that there is -- you know, to me it's a mentality, you know, on the golf course, for example. Bottom line didn't result, you know, that it covers its costs individually within there. I mean a great example is, you know, when I host the tournament there, you know, in theory that is a mostly individual benefit and maybe you should have a higher cost than the considerable individual per round when you come in and you want to do an event there, as an example. You know, there -- there are those type of things that might make sense with whether it's residents, whether it's all those different elements, but it is -- to me is top line at this point in time and -- and what is our expectations. But within there I think there is a lot of questions and better ways to look at how we -- what we charge for, et cetera, and -- and just a -- a good example is what do you do with our concessions? Is our concessions -- be considered -- considered, you know, a concession lease, so it should be in four or should it be put in five if that's where the golf course remains, because it's part of the golf course operations -- you know. And, then, I would suggest that stays within the golf course overall operations, instead of being pulled out and being its own set in with other concessions. That's my viewpoint, but how it gets applied -- all these have great dialogue built through in my opinion, but there are some things we can look at immediately for the golf course to help look at some things and, yeah, right now by rounds are up it's great. Mr. Siddoway.

Siddoway: Mr. Mayor and Council, I was just going to offer part of the reason for the concession is -- for the compression, sorry, is that we have been viewing that Tier 5 hundred percent as a hundred percent plus and, you know, it -- like, for example, if there is an expectation that the golf course -- not just breaks even, but makes money to cover deficits elsewhere with the pool or wherever, that -- you know, that it would -- it would not just be a hundred, it would be -- we have an expectation of hundreds as a floor and it -- it could go up from there. So, you know, the concessions that are in there are like the -- the park concessions. They cost us very little to operate. We -- we -- we recover more than a hundred percent of what it costs us operationally to provide that concession, but it's -- so, it's a -- it's more of a hundred percent, plus as opposed to the other is like 80 to 99. The other one is a hundred percent and end up -- so -- but, you know, if you -- I can

see visually how that compression looks like. We only have a one percent difference. But we have been viewing it as -- because of that plus on top of the hundred percent and seeing that hundred percent more as the bottom, that that was -- if you look at it that way there is less compression and that was the perspective we were coming at it from, so --

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I don't know if I subscribe to that, candidly. I mean why charge more than what it costs to provide the service? Even if you could doesn't mean you should perhaps. If we were to do that, then, let's label it accurately and say, you know, 150 percent to a hundred percent to be more candid about it, but I would rather charge no more than what's necessary to provide it, generally speaking. I mean we understand there is public benefits to the lower tiered --

Siddoway: Yeah.

Borton: -- that we all as a community benefit from and having a Tier 5 subsidized at Tier 2 -- I don't know if I'm on board with that.

Siddoway: Sure.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Isn't it sort of like if we take the case of the golf course, I guess the way I was thinking about it is these are direct costs; right? But you are not building in the indirect costs and so --

Siddoway: There are other costs, yes.

Strader: Yeah. And so I -- I think it makes sense to -- at a later point like get more granular on each service within -- because I agree with all the comments; right? Like it makes sense to me that residents wouldn't pay the same as nonresidents. It make sense to me that the golf course should stand on its own two feet and -- and be self-sufficient to some extent, compared to other services we provide, considering, you know, the investment in it. But if you take the example of like introducing kids to golf, like there may -- there may be children who have never had the opportunity to learn golf; right? Something like that may not belong in Tier 5. So, I -- I could sort of see that each community amenity kind of goes along a spectrum of these different tiers, so sounds like heading in a good direction. Maybe we will get more granular at a later point.

Siddoway: Mr. Mayor, Council Woman Strader, I would just say briefly that we think -- we think similarly that -- you know, that -- that intro to golf lesson could be like if -- especially

if it's in the activity guide could be considered more in the youth class level. But there is -- with the overlap, yeah, of where things are -- are counted it probably would end up in the golf course realm overall. But -- but I think in terms of philosophically, we are -- we are thinking the same way.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I think the granular next step makes great sense. So, do you have an idea of if -- if now or some point very soon the pyramid as presented is adopted -- or at least head nodded to move forward, is there a timeline where you think some more granular detail would come that says --

Siddoway: I'm not sure what that -- what kind of granular detail you are talking about, because it sounds like you are talking about granular detail of -- in sub elements within each element within each tier. Is that kind of what you are -- that might be a bit much for us to bite off in the first year.

Borton: Maybe. I mean I assume that's something you are doing in-house internally to try and figure out what types of fees to recommend -- fee charged for every color.

Siddoway: More on the recreation side, yes. I mean our -- our rec coordinators track their costs very detailed. There are other things in here that are new to us to be called programs.

Borton: Maybe it's unique to the golf course, if that's one of the more complicated --

Simison: I -- I would suggest -- we have two new things. We have a new pool and we have a new golf course, which really haven't been looked at in the same aspect over time to look at what is the community benefit, the actual cost of operations and where people feel comfortable on any of those issues. So, I think that both of them will likely be a topic of conversation over this next year. Maybe some elements can be done sooner, other elements may take more time, but I think that's really what we are -- what we are looking at. There is really not a lot of other changes that are on here. But like Mr. Borton said, you may want to do -- or Councilman Borton said -- you may want to put a hundred percent to 125 percent. I think the difficulty is when you talk a hundred percent is any -- you never know if -- if we went back -- fall back on our rounds by 5,000 rounds -- I mean you -- you are never going to hit that one hundred percent on something when you are dependent upon people showing up and paying a cost. So, just the expectation moving forward. Yeah, if we were -- if we are hitting 135 percent for two years in a row, we may want to go back and look at that number and scale it back down, you know. So, that's what -- that to me is the -- at least personally I understand the hundred percent -- maybe more than hundred percent on any given year, because we just don't know how many people will show up or if we get the Borton and Lakey sponsorship for the driving range, as soon as that comes through I mean that could really change our pyramid, you know.

Siddoway: Mr. Mayor, I totally agree and -- and concur the -- you know, when we saw the FY-21 numbers come in at 82 percent, we were like this needs to be -- you know, putting it in Tier 4 will push us and, then, when we saw that the FY-22 numbers were coming in at the hundred percent level, we were like, okay, we can do this. You know, we are -- we are willing to -- it makes sense to have that conversation. But it is dependent on demand.

Simison: Yeah. And as I -- I wanted to get through tonight before we have the next conversation, just to make sure we understood as a body where we felt and we, obviously, got to make a motion and at least agree to this before we can really start talking -- having conversations about raising or lowering revenue in any of our bands or programs.

Siddoway: Thank you. Any other questions for me? Any other questions for me or Teresa?

Simison: Well, you did hear Steve's request to at least have a motion to approve the pyramid. Council, are you ready for that or would you prefer to take a little bit more time and consideration, as we are without our parks liaison as well.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: We -- we have heard it a couple of times now. I -- I think we are comfortable with that. Yes, there is some details to work out now if we adopt that and move forward, but -- and everyone will certainly participate in that and -- and I didn't hear any objection previously to any of the -- of the structure of the pyramid and -- and that philosophy and that approach as a policy. So, I'm comfortable with moving forward with the vote, if other Council Members agree.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I am as well with the ranges and maybe not so much with the target within each range. I don't know if that's what you are seeking as well, but I understand the ranges. But also pinpointing the target within it, I'm not necessarily there. I don't know if you need that yet though. I think the pyramid itself is a useful tool.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Borton: Yeah. I see adoption of it would be the ranges and, then, having that specific target would be part of the exercise in -- in that and I don't know if Mr. Siddoway wants to comment on that, if he has a different take in how he was thinking about it before we make any motion.

Simison: Well -- and maybe a recommendation. Can we have the range four go up to 95 percent and the next one is 95 to 115 for now? If like say -- if you want to be honest, just to put something on paper.

Jackson: Steve, if I --

Siddoway: Yeah. I wanted to see -- yeah. Go ahead, Teresa.

Jackson: So, the ranges are set through the -- the -- the city's fees and charges policy and so we piggybacked on those. The target within the range, that's an aspect that we could remove entirely, because most tiers were performing at that higher end of your range we maxed it out for all cases, because we see the potential overtime that you could get to the max of the range within all five tiers. But it's not a necessity. In order to align with the finance policy, it's really working within those ranges and that's something through the study Steve and team were able to say, okay, we are meeting these cost recovery goals. There aren't significant areas that we need to make up in at this point.

Simison: I retract my dumb statement that it's already in policy related to that. Another one thing that you mentioned, Councilman Borton, is you did mention moving swim lessons.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I think it was in -- it was in Tier 3, to move it to Tier 2. I just -- I don't know if that gets you there. I don't if it actually makes too much of a functional difference in the cost. If there is the promotion of scholarship opportunities for folks who are of limited means to encourage them to participate, that's probably as important, if not more important, to ensure that our public participates -- has a chance to participate in it. So, that was really good -- great to hear.

Siddoway: Mr. Mayor, Councilman Borton, love the conversation. We also feel that -- that swim lessons are incredibly important and we want to encourage as many as possible to be able to take them and we are -- the city's been very generous -- sorry. The City Council has been very generous with us this year in additional funds for scholarships and we are looking at ways to make those available for swim lessons as well.

Borton: Mr. Mayor, that probably addresses --

Simison: Councilman Borton.

Borton: -- the opportunity that we are trying promote. So, that's great.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I'm -- I'm good to move forward on this basis subject to having further conversations about the golf course and the pool like we talked about.

Simison: Then with that do I have a motion?

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move that we adopt the pyramid cost recovery model for the Park and -- Parks and Recreation Department.

Strader: Second.

Simison: I have a motion and a second. Is there any further discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the pyramid is adopted. More conversations to come.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

14. Discussion of Civic Block Time Extension Request

Simison: Okay. With that we will move on to Item 14, discussion of Civic Block Time Extension request and turn this over to Councilman Hoaglun.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Yeah. Thank you for this. One of the key aspects of the time extension request is the Hunter Lateral and -- and within that is the understanding of what that cost might be to do that. Those costs aren't quite available yet. So, we definitely want to continue this and John McGraw for River Caddis will be here at our meeting on December 6th, so this will be on our work session for that date and have that discussion about the time extension, Hunter Lateral costs, and those types of things and, hopefully, we will be able to take action that evening on that request.

Simison: Thank you. Council, any questions for Councilman Hoaglun at this time? All right. Then we will consider Item 14 done and added to the next meeting on the 6th.

Hoaglun: So, Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move we adjourn the work session.

Simison: Motion to adjourn. All in favor signify by saying aye. Opposed nay? The ayes have it. We are adjourned.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

MEETING ADJOURNED AT 5:29 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT E. SIMISON

_____/_____/_____
DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK