

Meridian City Council Work Session

February 21, 2023.

A Meeting of the Meridian City Council was called to order at 4:30 p.m., Tuesday, February 21, 2023, by Mayor Robert Simison.

Members Present: Robert Simison, Jessica Perreault, Brad Hoaglund, Liz Strader and John Overton.

Members Absent: Joe Borton and Luke Cavener.

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Scott Colaianni and Dean Willis.

ROLL-CALL ATTENDANCE

<input checked="" type="checkbox"/> Liz Strader	<input type="checkbox"/> Joe Borton
<input checked="" type="checkbox"/> Brad Hoaglund	<input checked="" type="checkbox"/> John Overton
<input checked="" type="checkbox"/> Jessica Perreault	<input type="checkbox"/> Luke Cavener
<input checked="" type="checkbox"/> Mayor Robert E. Simison	

Simison: Council, we will go ahead and call the meeting to order. For the record it is February 21st, 2023, and 4:30 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item up is adoption of the agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Move adoption of the agenda as published.

Overton: Second.

Simison: I have a motion and a second to adopt the agenda. 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 February 7, 2023 City Council Work Session**

2. **Approve Minutes of the February 7, 2023 City Council Regular Meeting**
3. **Winco Wells Partial Release of Water and Sewer Easements**
4. **Development Agreement (Bountiful Commons East H-2022-0015) Between the City of Meridian and TMEG Properties, LLC (Owner/Developer) for Property Located at 5960 N. Linder Rd.**
5. **Award of Bid and Approval of Agreement for the W. Idaho Water Main and NW 1st St. Sewer Main Replacement project to Cougar Excavation for the Not-To-Exceed amount of \$1,719,718.00**
6. **Resolution 23-2374: A Resolution Approving Dedication Deed and Termination of Well Site Lease Agreement; authorizing the Mayor and City Clerk to Execute, Attest, and Record said Instrument; and Providing and Effective Date**
7. **Resolution 23-2375: A Resolution Approving Easement Agreement (City Well Overflow Pipeline); Authorizing the Mayor and City Clerk to Execute, Attest, And Record Said Instrument; And Providing an Effective Date**

Simison: Next item up is the Consent Agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

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

Overton: 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. Those 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 were no items moved from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

8. Recognition of Long-Term Employees of the City of Meridian

Simison: So, we will go into Department/Commission Reports and Item 8 is recognition of long-term employees of the City of Meridian. So, Council, just a brief update. As we have continued to evaluate our recognition of city employees this is one of the new changes we have done. Rather than just doing it in front of the department we decided to ask the employees to come here and be recognized in front of City Council and in some cases with their families present as well and it will be on record forever. So, we are here today to do recognition of two long-term employees, both with 30 years of time with the city. So, I'm going to move down to the podium and let's start off by asking Mr. Freckleton to join me at the podium. He is going to have his family come up and join as well and so, unfortunately, got a little bio of information that's been provided by Human Resources. So, thank you very much to Human Resources team for helping us in this process. So, I'm going to go ahead and read and we will do a little recognition and if you have any words you would like to say we would love to hear from you. We are excited to celebrate Bruce Freckleton's 30 years of service with the City of Meridian. During his time at the city he spent several years working at Meridian as Development Services Manager, focused on the overall administration and management of all land development and building activities within the city. During his time as the Development Services Manager Bruce led the transition away from a contracted services model of building plan review and inspection services to an in-house model. This transition has proven to be a significant benefit for the city and the customers we serve. Over the current course of his 30 year career with the city Bruce has led the Development Service division through the greatest periods of growth of the city and continues to do so as the Community Development Director, which he was promoted to in 2021. Bruce was born and raised in Boise. However, in 1985 he -- Meridian is where he and his wife Connie decided to set their roots and raise her three children. He is proud to call Meridian home. Through the years he has developed excellent working relationships with design consultants, developers, builders, city administrators and other governmental agencies. He looks forward to applying his years of experience and perspective to all aspects of community development each and every day. Bruce has vast experience and has built strong relationships. He is committed to Meridian's division being a premier community to live, work, and raise a family. Thank you for your dedication to the city and congratulations on your 30 years of service, Bruce. It's been a pleasure for me to be here for half of those, roughly, but it's -- it's an honor. So congratulations. And here is some stuff from the Human Resources Department, which always includes, you know, some -- some chocolates and your 30 years of recognition from the City of Meridian. So, I will hold onto these for a second if you have any comments you would like to make.

Freckleton: Thank you, Mayor. It's been an absolute honor serving the citizens of Meridian. Time flies so fast. It just doesn't seem like it's been 30 years and Kenny can probably agree with that, too. But it has been an honor and a privilege to work for the city and I look forward to finishing out my career here. So, thank you very much.

Simison: Mr. Bowers. So, I had to start with the one with a few years total accumulated service and it was very nice of Bruce to bring one of his grandkids, who, you know, it's about when you started officially with the city -- it was about the same time frame based upon your years of service. So, appreciate that. Kenny Bowers is a lifelong Meridian resident and for a lot of that time has been helping the City of Meridian. Kenny began his career as a volunteer firefighter and police officer in the city around 1972. In late 1983 he was appointed and become Meridian Fire -- sixth fire chief. He served in a part-time capacity until 1992 when the fire chief position was transitioned to full time. Kenny helped build out the initial infrastructure of Meridian's fire command staff. During this time Meridian Fire Department expanded building three new fire stations, bringing three new apparatuses to the city. Kenny was instrumental in starting the thermal imaging program, the defibrillator program and establishing Meridian Fire's first Fire Safety Center, which opened in 2005. Meridian Fire also began its partnership with Ada county paramedics, co-locating the ambulance at Meridian Fire Station Number Two in order to improve response times to that area of the city. Kenny stepped back from his role as fire chief in 2005, eventually moving to the position of fire inspector and most currently captain fire inspector. He is well known for never missing a single day of work and continues to be a valuable asset to the Meridian Fire Department. Very few employees make it to 20 years of service, let alone 50. We are excited to celebrate Kenny's 30th official work anniversary and 50 years of community involvement with the City of Meridian. Kenny has been married to his wife Kristi for 36 years. It is obvious that when Kenny makes a commitment he sticks with it. Congratulations and thank you for all of your service to the City of Meridian and our community, Kenny.

Bowers: Thank you. My wife wasn't able to make it. She was doing 4-H stuff at Emmett tonight with the kids. So, that's kind of important. So, back there in the back row, back here, that's my family back there. We grow up with those guys and work with them, but it's been a ball. I mean 30 years full time and 20 years part time and -- and, man -- John Overton and these guys, it's quite a difference here when we started from -- I had a little office in the fire station in the corner with a table -- card table and every time, you know, a fire truck would start I would get dieseled out, stinked out, but we have changed a lot coming up from the volunteers to full time and bringing in more -- building more stations and more engines and it's -- it's been a thrill to work with the City of Meridian and the Meridian Rural Fire District as a couple, so thank you very much. Appreciate it.

Simison: Council, the best part is neither one of them is going anywhere anytime soon to my knowledge. So, look forward maybe we can get him up here for 35 years before too long.

9. Mayor's Youth Advisory Council Update

Simison: With that we will move on to Item No. 9, which is the Mayor's Youth Advisory Council updates. I'm going to invite Sahand to come forward and introduce our MYACers who will be presenting this evening. Sahand.

Rahbar: Mr. Mayor, City Council Members, thank you so much for allotting this time for the Mayor's Youth Advisory Council to come up and speak to you. I'm actually going to invite Katelyn and Isabella, our MYAC representatives today, to come up and introduce themselves and they will provide a little bit of an update on what MYAC has been up to over the past few months.

Simison: Thank you.

Deckelman: Mr. Mayor, City Council Members, thank you for having us today. My name is Isabella Deckelman. I'm a junior at Renaissance High School and I'm currently serving as the Community Service Vice-Chair for MYAC.

Holdeman: Mr. Mayor, City Council Members, my name is Katelyn Holdeman and I am a junior at Compass Public Charter School and I am currently the Vice-Chair of MYAC.

Deckelman: All right. So, for our presentation we wanted to give you guys a brief overview of what MYAC has been doing between the months of November and February. So, beginning with government affairs.

Holdeman: So, our first government affairs activity was our City Hall tour. This was December 5th and MYAC -- we as MYAC had the opportunity to tour Meridian City Hall and hear from a representative from every department -- department in City Hall and we really got to learn a lot more about city government and how everyone functioned and work together and, then, January 31st we had the legislative reception with the American Heart Association. So, we had MYACers help put together a map showing the location of stores that sell tobacco, nicotine and vape products, as well as locations of schools to show how the school locations and those shop locations were in proximity or close to each other and, then, we had some MYACers go to the Capitol with the American Heart Association to speak with legislators and state officials about their perspectives on the use of these substances and, then, most recently -- this was last Friday -- we had our tour of the State Capitol and this was about an hour long tour where we went on every floor and got to learn more about how the Idaho state government functions.

Deckelman: And, then, some of our community service events that we have had -- we did trunk or treat in October. So, MYAC had a booth at this event and members handed out candy to little kids as part of a fun fishing game that is kind of a MYAC tradition. And, then, we also had Holiday Helper decorating and this occurred over the span of three different days. So, MYAC was in charge of making and putting up all the decorations in the expo Idaho Building for Holiday Helpers. So, members helped make snowflakes, set up a Christmas tree, and hung up fun festive posters. And, then, these are some pictures from that event. We also participated in Rake Up Meridian over two different days. So, members participated in this event, which is a community event supporting seniors and others in need in our community. So, members helped rake yards and bag the leaves for two different houses. We also participated in the Winter Garden Aglow event, which is held by the Idaho Botanical Gardens. So, members

served as volunteers and guides. They were stationed throughout the garden and they answered questions and guided attendees to various areas and there is a fun picture from that event. Most recently we had a nonprofit panel and we also did Valentine's Day card decorations at our last meeting. So, we invited Lisa Hansen from the Meridian Senior Center, Abbey Schulz from the DisAbility Rights Idaho and Audra Green from the Meridian Library District to inform members about community aid groups and what they do in their positions and, then, afterwards members made Valentine's Day cards for the Meridian Senior Center, which those are seen in the photo.

Holdeman: And, then, as far as leadership development, we recently had the guest speaker Nick Aldinger, who is the CEO of IBL Events and he talked to us about producing a live in-studio event. From the presentation we learned a lot about how to coordinate and present a live in-studio event and as far as leadership development, this helped us learn about the importance of communication, collaboration, and the coordination between everyone as a team needed to manage and create events.

Deckelman: And, then, for some other fun events MYAC has had, we had our holiday party in December. So, to kind of commence the holidays MYAC held a holiday party at City Hall and members played fun games, such as Minute To Win It, judging ugly sweaters and did a fun white elephant gift exchange. And, then, for some upcoming events that we have -- in March we invited the Urban Land Institute to go over a city development workshop. This was something that the executive council members did at our AIC conference and we wanted to present this to the general council members. So, this event included MYAC members using Legos to help plan a city where they are given certain regulations to learn more about what city planning entails.

Holdeman: And, then, also in March we are going to have our bylaw overview and we are going to try and update those with the Deputy City Attorney Emily Kane. We haven't updated our bylaws in a while and we have been working as an executive council to go over some proposed changes and, then, we are going to talk to the general counsel about those. And, then, we are also going to be planning for Do The Right, which is going to be happening in April, which is where we are going to sort of commence that event and promote it and, then, we will also have a City Council panel where we will learn from you guys and present that kind of -- kind of to the general MYAC as a whole and, then, finally in May we have the senior prom with the Meridian Senior Center. This is something we did last year and it was a really fun event and we got to provide a really fun night for senior citizens in our community. Thank you. Are there any questions that you guys might have?

Simison: Thank you, Katelyn and Isabella. Council, questions, comments?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. You have been busy. This is fantastic. I love that you are getting involved in such a variety of things and -- and the community service aspect is -- is really wonderful. I'm curious about your day with the legislators regarding tobacco use and what you were hoping to accomplish in your conversations with them, if it was just to make them have some awareness of the perspective of youth or if there was something that you were actually wanting to get proposed or passed through the legislature and kind of how that conversation went.

Holdeman: So, far we aren't necessarily working to create a bill, but we are talking with the American Heart Association and they were just talking about like wanting to do a project and the importance of kind of seeing the correlation between these locations and schools.

Perreault: Thank you.

Rahbar: Mr. Mayor, Council Woman Perreault, Katelyn and Isabella weren't the MYACers who were present at the event, so I just wanted to provide a little bit of perspective from the ones who were there. They got to get sort of a quick little training on lobbying from the American Heart Association and it allowed them to learn a little bit about how tobacco cessation and tobacco education programming works in our state through the mechanism of the Millennium Fund. But, really, what it was mostly about was giving them a chance to have these sorts of conversations with the legislators where they were able to speak very frankly about their experiences with these products, seeing it among their friends or in their communities, because legislators don't necessarily have the opportunity to get that sort of insight from the students and I think the American Heart Association was very glad to have students with boots on the ground who could speak to that sort of experience.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you so much. That -- that's awesome. Just the experience of them going and being there and sharing their voice and sharing their perspective and being bold in that. Applaud them. Please pass that on to all of those that were there and participated and that's just something that I'm -- you know, to get our youth involved in public service in that capacity is amazing and I wanted to just say really quickly I went to an event last fall and it was so much fun and it's harder than it looks, but it is -- it was a blast. It's really really awesome. So, I'm sure you are going to have a really good time with it.

Simison: Thank you, Council Woman. Council, any other comments or questions? All right. Thank you very much for being here and sharing that and best of luck as we continue moving through the rest of the year and maybe there -- there may be something even with the Meridian Library District elections, if they are -- if they -- if there will be candidates running, besides the one person, but we will see. So, appreciate it.

Holdeman: Thank you.

10. Meridian Solid Waste Advisory Commission Annual Update

Simison: So, with that we will go to Item 10, which is the Meridian Solid Waste Advisory Commission annual update and we have Chairman Cory here with us this evening. Steve, nice to see you.

Cory: Thank you, Mr. Mayor, Members of Council. My name is Steve Cory. I'm the chairman of the Solid Waste Advisory Commission. I bring you greetings and thanks -- thanking you from the Solid Waste Advisory Commission for your support in things that you have worked with us on. One of the primary responsibilities of the Solid Waste Advisory Commission is managing the community recycling fund program. At present the balance for the CRFP is just over 82,000 dollars. SWAC had voted to go ahead and request from you permission to use about 2,200 dollars for squishy water bottle project out at the Meridian Transfer Station, but Public Works went ahead financed that this year, so we had no expenditures from the account in FY-22. I would mention to you that we do have -- I will probably be in front of you fairly soon to go ahead and request permission to use some of the funding to go ahead and cover the squishy water bottle program over at the transfer station and also we are going to need a little bit of help on the class receipt over there combined on to not to exceed 12,000 dollars. So, we know we are still going to have 70,000 dollars in that account. Looking forward I would say that the Solid Waste Advisory Commission is very excited about having that available as the solid waste management plan gets put together to be able to have a little bit of financing to incentivize the suggestions that are in the plan and we will look forward to working with Council on those projects once they get worked through and we can give you some solid recommendations. Some of the activities over the course of 2022 are the Treasurer to Treasurer project, Public Works Expo, the recycle a bicycle project, working with the Ada County Solid Waste Advisory Committee and the Ada County Hazardous Waste Program. Trash or Treasure, as you can -- as you probably are well aware, is a beloved program for city citizens, something that's unique to Meridian. It really has transitioned well over into city staff and they take care of all the publicity on this and a lot of the signups and other information and at this point it's kind of drifting down to where our members watch what's going on out in the community and help report that back and provide pictures, obviously, and these are a couple of shots of one location that shows in the morning what was put out on the curb and even in the afternoon what little was left and another shot in the neighborhood of all that was left was the sign that said these are part of Trash Or Treasure. The treasure had already been taken off. We got the chance to participate in the Public Works Expo this year and had a very enjoyable time with that. We had about 75 visitors stop by the booth and as is kind of the common thread on these things, the citizens like to go ahead and talk about what's acceptable in the recycle stream and usually have some questions about some of the other programs that can exist, like glass subscription or grass or other activities. We were glad to be able to do the recycle a bicycle -- or the -- yeah -- recycle a bicycle project again this year and, again, staff really stepped up on this. A lot of press releases and a lot of information. We got some press in the local news stations

and had a good deal of support on the day of the event. We had 46 bicycles that were spoken for and, unfortunately, in the second photo you can see some evidence of the rainstorm we had to deal with that day. But even so, 34 people arranged to pick up their bicycles. The remaining bicycles were eventually distributed to the rescue mission and Farmway, but it certainly is a good project to go ahead and give some transportation options to members of our community and I need to mention, too, that at the end of the year the recycle a bicycle activity out at the transfer station provided another 50 bikes for youth to the Boise bicycle project and those were some of the bicycles that they were able to go ahead and distribute. But this event is -- this activity has really diverted a bunch of material from the landfill that goes to good use after it otherwise would have been hitting the end of its life. The other activities that we mentioned as far as the Solid Waste Advisory Committee for Ada County this year, I was asked to go ahead and pick up the chairmanship of that committee again. So, if you ever have any things that you want our county committee to go ahead and look into, I really appreciate your requests. As far as what we are looking at, the landfill is coming to grips with the fact that while their original intention was for the landfill to last through the century, right now the projection is that it will only -- it will fill up by 2065, which starts putting in the plans for the next landfill on the distant radar screen and some of the effects of that have come back into financing and that's really going to be the key items that we are going to be looking at over the course of this next year and I'm certainly looking forward to making sure that you get the information that we get on that. As far as household hazardous waste, certainly the contractor that's working on this has had some issues with staffing and such and so I suspect we are going to have to be watching that fairly close over the year, too. As far as our other major activity, the rate review -- this year it was almost automatic, basically. Just the CPI inflation adjustment and -- and, then, continuing the outside agreements on waste process -- or recycled material processing and as I kind of indicated before in this -- in that review that both the glass subscription process and the grass subscription process grew a bit, but not significantly and so at this point we have no recommendations for any changes in those two programs. We had a number of presentations throughout the year, but rather than reading through all these I will boil them all down to monitoring waste and recycling in the community, the CRFP management outreach activities and monitoring the rates and in the report I have gone through a number of items kind of specifying some of the activities that we are looking throughout the year, but just to kind of hit the highlight, our intentions are just improving and protecting the city's waste and recycling practices and systems, while being mindful of the ratepayers and with that I would love to have your questions.

Simison: Thank you, Steve. Council, questions for Mr. Cory?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Hey, Cory, thank you for the presentation. I have a couple of questions. What is the timing of the solid waste plan is one question I have and, then, what is it -- you know, are you guys going to look at a voluntary composting program? Where is that at?

I know there were some legal issues popping up and hurdles that got in our way of looking at that, but I would love an update on those two items.

Cory: Thank you, Council -- Council Woman. Yes. On the -- on those two issues -- as far as the first one, the solid waste plan -- certainly that's within staff and I think it's more appropriate that staff go ahead and address that issue. I'm going to go ahead and let Sayard -- go ahead.

Schultz: Hi, Sayard Schultz. City solid waste coordinator. So, I guess we are currently finished with the plan, the first draft, and right now the director is looking at that. So, we are hoping to get that wrapped up in a couple of months and, then, present it to -- to the Mayor and the Council. So, that -- so, the solid waste draft -- or a solid waste plan is written by the staff members, not the SWAC, and, then, after that goes through, then, SWAC will have a chance to -- to look at it as well.

Strader: Okay. Thanks. And, then, the -- looking at composting, is that addressed in the plan or are you guys going to look at that again anytime soon?

Cory: Let me go ahead and say that we continuously look at the -- the activity and so, yeah, you are going to need both of those discussed on this. I think probably I will start off and let Sayard talk about composting -- well, and organic waste and the waste management plan.

Schultz: Yeah. So, that's something that we look at in the plan and that's addressed there. There is different -- there is just more expanded yard debris that we currently have and the grass program and, then, also we have looked at feasibility of having a full compost program, which means yard debris and food scraps. So, that's something that will be evaluated once the plan is put into place through staff.

Cory: But, then, to continue on that, you are indeed correct on this, that we have been monitoring the availability of composting services being developed by the -- by the private sector and that continues to develop at this particular point, but our other key input is the subscription services to see if that grass that's being currently collected to go ahead and compost, if that jumps up with a significant amount of community interest, then, obviously, we would -- that would be a trigger for us, too. So, like I say, once we have got on record the amount of -- of organic material that's being developed by the city and some of the options that can be done with it, then, we can work with -- in our group to figure out the recommendations and will be before Council at that point to recommend changes if they are appropriate.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I appreciate you saying that. I mean there are a couple companies, obviously, in the Treasure Valley that are expanding or looking at composting and I just

feel that the grass offering is not indicative of what the demand would be for a voluntary organic waste composting program. It's just so limited, you know, compared to what people could actually compost I think from their household. So, I appreciate you guys continuously evaluating it and I look forward to reading the plan once it's all finished up and reviewed by SWAC. Thanks.

Simison: Thank you.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Mr. Mayor. Steve, you had mentioned household hazardous waste contractor staffing issues, which is not unusual -- unusual at this time with a lot of businesses. But are they still able to provide regular service for our household hazardous waste program?

Cory: Yes. It still continues to be the case that on Monday afternoons from 11:00 to 5:00 -- 6:00 -- 11:00 to 6:00 people that go to the Meridian transfer station on Franklin are able to go ahead and get rid of their household hazardous waste, any chemicals that have expired their shelf -- shelf life, any excess materials and such. So, yes, we haven't had a -- an issue with level of service per se at this particular point, but it is something that is -- has hit our radar screen and we feel like it needs to be watched closely.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Yeah. That's -- that's an important program keeping those types of products out of our waste stream and handled properly. So, that's something definitely keep an eye on that and let us know if there is anything we need to do. Thanks.

Simison: Thank you.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you so much for that update and just curious about -- what you said about the planning -- the financial planning for expansion of the landfill many years from now. Is there an anticipation that it will continue to physically expand in its current location or that they might add another location in Ada county?

Cory: The landfill has expressed the point that they definitely have to be making commitments 20 years in advance. So, that brings -- walks it back to 2045. A lot of

design efforts, land acquisition, numerous other activities that are associated with it and, of course, even before you do those type of activities they need to do some preparatory work. So, we expect to be hearing quite a bit in the near future about their plans for this activity. But particularly with the transition of management a year and a half ago when they picked up our -- our employee Tom Otte up there, they have had a laser focus on doing anything they can to reverse the trend and try to extend the length of the land -- the life of the landfill. So, we are hoping that some projects will be put together either at the landfill or within the community that might give people opportunities to divert even more material, so that we don't end up -- we can postpone that time when we might be tasking the taxpayers of the time, which would be our grandkids or kids, you know, that we don't want to see that tax increase any sooner than it has to be occurring.

Simison: Council, any additional questions or comments? Okay. Well, thank you very much, Steve. We do look forward to seeing those things come forward. So, best to you and the staff on continuing to advance these priorities.

Cory: Thank you very much.

11. Finance Department: Fiscal Year 2022 Budget to Actual Results

Simison: All right. As we see our CFO start to stand up -- Item 11 is the Finance Department fiscal year 2022 budget to actual results. Mr. Lavoie, the floor is yours.

Lavoie: Good evening, Mr. Mayor, Members of the Council, again, appreciate you giving us an opportunity to provide you and an update on the fiscal year 2022 financial results. So, as a reminder, fiscal year 2022 ended on 9/30 -- or 9/30/2022 for the 12 months preceding that. I'm going to present to you today the results of the actual financials and a note to you that our audit is started today. So, our auditor showed up to audit these numbers. So, I'm presenting to you unaudited figures. Again, we are confident that the numbers won't change dramatically. So, the numbers that you see here are unaudited numbers at the moment. But, again, our auditors did show up today and we should have an audit report in front of you in about 30 days. So, today what we are going to go over is the fiscal year '22 financial results. Also explain to you what the results of the fund balances were for the General Fund and the Enterprise Fund. By ordinance I need to submit to you a separate report for the impact fee. So, this adheres to that -- or that meets that requirement. So, I will give you the results of the impact fee fund itself and, then, I will give you a glimpse of what you will receive from me on the next quarterly report and, then, stand for any questions. But at anytime please interrupt me if you have questions on any topics or any items that you want to discuss. What I will do first is I will go through the General Fund and, then, I will go to the General Fund fund balance and, then, we will talk about the Enterprise Fund, talk about the Enterprise Fund balance and, then, we will go to the impact fee fund. So, the first fund that we will start off with is our first major fund, which is the General Fund and we finished the fiscal year for fiscal '22 for the General Fund -- total revenues -- so, I'm going to go revenues first, then, we will do expenses second. So, we finished the year of 12 percent higher. So, our budget was off by 12 percent on the good side. So, the results were 12 percent

higher than we expected for fiscal year 2022 and you can see that the largest difference of -- you know, if we missed any from a target perspective was in the licenses and permits, which ended up at 69.5 percent higher than we expected. That represents the permits that you approved throughout the fiscal year and for fiscal year '22 you approved 331 more multi-family permits than we had projected. So, hence, why it's higher than our numbers. And, then, you actually approved the highest amount of commercial square foot we have ever approved in a calendar year -- fiscal year. So, again, we did not project a pinnacle of revenue expectations and commercial, hence why we missed the target by 69 percent. So, again, it's on the good side. But, again, the reason why we missed it by 69 was our conservative numbers were outpaced by your approvals, which is fine, but that's why you see us missing the target by 69 percent on the Community Development side and, then, the second largest item that you will see we missed the target by was these intergovernmental. We missed intergovernmental by 33 percent and that's because of the sales tax revenue exceeded our expectations. So, when we built this budget 20 months ago we were still in that COVID concern, so we went super conservative on the sales tax revenue projections and Idaho as you have heard and seen and know has been very strong and healthy over the past 12 months and 18 months. We have adjusted our sales tax revenue projections based on new actuals. So, for '23 and '24 you will see our -- hopefully we will have a better performance when we report back to you in 12 months on '23 and '24. And, then, the most important revenue source that we have in the General Fund is property tax. As you can see it's by far the largest of all the revenue sources even combined all the other ones don't meet it and we missed it by one percent. We are super happy with the one percent. Our average is about one to two percent we missed that target number by, so, again, we missed it by one percent and that is the most important one we have. So, we try to make sure that one is as close to a hundred percent as possible. And, then, the last item that we will talk about a little bit later is -- what have we got -- is going to be the impact fees, but I will present the impact fees at the end of the presentation. So, again, at the end of the day our General Fund -- we missed the target by 12 percent, but on the good side and, hopefully, that explains kind of what we did there. For fiscal '24 budget, I'm just going to touch on that. We are working on that now with you. So, if you have questions about fiscal '24 revenue projections, I would love to discuss that in a separate meeting, if possible. I'm happy to go through and present to you on anything, if you have any questions like how do we project these revenue sources, I'm happy to give a one-on-one class. You can stop by our office anytime to discuss revenue projections. That's what we are here for. So, that is revenue in a nutshell for the General Fund. So, now we will --

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Hey, Todd, yeah, you know what I would like to get is a ten year look back of the General Fund and our actual revenue versus the budget. That would be awesome.

Lavoie: Council -- Liz, is it possible I can give you back to 2016? I don't know if I have 2015 and '14. I can get you 2016 very confidently.

Strader: I will take eight years that's perfectly fine.

Lavoie: Thank you very much. So, I will give you 2016 budget to actuals for revenue for General Fund. Done. Okay. With that we will jump into the expense side of the General Fund and we will start off with personnel expenses first. For the fiscal year ending '22 we ended up spending 93.3 percent of the budget that you provided us as a city. Our average from 2016 is 93 percent. So, again, we actually hit a little bit better than target for our average. The largest gap from a percentage missed is -- you can see on the screen is the community development, we spent 75 percent of our budget, and the primary reason for the gap -- or under spending of the personnel budget was due to the inability to hire within fiscal '22. It was very difficult for them to hire and to retain the -- some of the staff. So, that's why you see the less spent amount for Community Development and just to give you a precursor into what you will see in the next slide, you will see their operating expenses going to be much larger, because they had to outsource those still services needed for the permits were approved. So, you will see their expenses exceeded their budget. Their revenues exceeded their budget, but the personnel was lower. So, it kind of all kind of works together. But, again, our largest variance was Community Development for '22 and, then, also from a dollar wise standpoint they had the largest variance of 1.1 million, quote, unquote, left on the books. Again -- but that money was -- you will see on the next slide was offset by operating expense needs and you can see the other departments accordingly how they performed from a budget to actual standpoint for the personnel expenses.

Simison: And, Todd, if I'm not mistaken our Police Department had a much larger -- better spin this year in this regard than previous years as well.

Lavoie: Robert, confirmed. They had -- this is one of their better performing years year over year over year. Yes.

Simison: Nice job, PD.

Lavoie: Agreed. That will move us into the next reporting group for expenses, which is what we call our operating expenses. For the year we ended up spending 100 -- we ended up spending 6.2 percent more than what we had budgeted. Our average is -- we normally spend 89 percent of what's budgeted, but this year we spent 106 and you can see the outliers right there in Community Development. Community Development, again, had to continue to approve those commercial projects that you approved, those rental multi-family projects that you approved and we had to outsource those services. We didn't have the staff in house to make this happen. But the good thing is for every operating expense you see here there is a positive revenue offset to counteract this. So, for every dollar that you spend in operating you actually generate more in revenue from our contract. So, again, I know it looks scary there, but just know that they -- they had revenue to offset every single one of those expenses and a profit on each one of

those. The admin department left a few -- let's see, we left about 30 percent and that was primarily -- or about 1.2 million. Six hundred thousand dollars we left on the books for a grant that we are still working on that we carried it into '23 and, then, we had 600,000 dollars in streetlight projects that we were not able to complete that we carried into '23 as well. So, the 1.2 million that you see gapped, we did carry into '23 to get those projects completed and, then, you will see that Parks Department did overspend and that's primarily because in fiscal '23 we did not have a budget for the golf course, nor the pool. We absorbed those costs. Fiscal '23 is the first year that we as a city established a budget. So, they did go over budget, but it's because I did not create a budget for them in '23. That should look much better next year for fiscal '24. Again, for those expenses you also have offsetting revenues. Those are the operating expenses. Then our third and final expense category that we report to you on an annual basis is capital. For the fiscal year '22 we did spend 29.9 percent of the budget that you provided us for the 12 months. Of the remaining difference, which equals 39 million -- so we did not spend 39 million that you allocated to us -- we carried 38 of it into '23. So, you got Discovery Park, you have got two fire stations, you have got a free police precincts, you got other multiple projects. So, I can tell you of the unspent 39 million, we asked to carry 38 of it so to get done in fiscal '23. So, by the end of fiscal '23 the General Fund should spend about -- maybe not '23, maybe '23 and '24 -- 55 million dollars for the projects that you have allocated to us. The team members, the project managers, they just need a little bit more time to get those dollars spent for you, but we did carry 38 of 39 million forward, so we can complete those projects at the golf course, at the parks, and the fire stations. So, that is capital. So, in general -- or in summary, sorry, the General Fund -- again, we talked about revenues, 12 percent higher good problem to have. All your expenses -- you can see 93 percent of personnel under budget. Operating we did go a little over budget because of the golf course, the pool, and the community development and, then, capital at 30 percent. So, again, all good problems to have for the General Fund from a spending compared to budget. So, the question is what did this do to our financial position for the fiscal year ending 9/30/2022. The General Fund added 2.9 million dollars to the fund balance. The Impact Fee Fund actually used up four million. The Community Development Department added 3.6. Capital Improvement Fund used up 1.8. Public Safety about -- used up about 10,000 -- the grant fund added a thousand and the General Fund -- all the non-funds before that added five million dollars. We put that all together, that is a net increase to the General Fund's fund balance of 2.9 million. So, the question is what does your fund balance look like now? The City of Meridian's fund balance, as will be reported next month in the audit report, will have 108 million dollars in their General Fund fund balance, which is an increase of 2.9 million as displayed. Of the 108 million, 3.8 million is restricted. That is for prepayments, some other things we have already committed to, inventory. We can't touch those. We have 22 million dollars associated to -- or are restricted to the Impact Fee Funds. So, we can't touch those. Those are identified for the Impact Fee Funds. We have 22.7 million dollars allocated to the capital projects and public safety fund dollars. So, those are already committed to those projects. The assigned is 32.9 million. So, those dollars are all assigned from a Capital Improvement Project plan from our CFP modeling. So, again, we have already allocated -- or kind of earmarked projects that those dollars are used for. You take all those numbers that leaves you 1.3

million dollars unassigned that -- of the 108 million we have already accounted for. All but 1.3 million dollars for the General Fund. So, that is the impact for the -- those are the results of fiscal '22 and how they impact the General Fund fund balance -- oops. For fiscal '22. Any questions on General Fund results fiscal year '22? Again, we will do the exact same thing for Enterprise Fund next. And if no questions, again, feel free to send us an e-mail, we will get you answers to the '22 results and, then, the auditor will provide the '22 audit report in 30 days.

Simison: Council, any questions or comments? Council Woman Perreault.

Perreault: So, Todd, you said that the offsets -- the additional approximate 15 percent that was spent by Parks was because of the pool and the golf course expenses, but the revenues offset that. So, are you talking about total costs and revenues for the General Fund or are you just saying that there specifically were revenues by those two recreation entities that offset that 50 percent in parks? I was under the impression that there was not that much excess -- excess revenue that came in for those two entities to -- to recreation facilities.

Lavoie: You are correct, Jessica, that the increase in expenses was a direct result of the golf course and the pool. You are correct there. There were revenues that did offset that, but you are correct that that -- the statement of a hundred percent of coverage, that was not made. So, yeah, you are correct on both statements.

Perreault: Okay.

Lavoie: With that we will go into our next major reporting fund, which is the Enterprise Fund. Again for results ending 9/30/2022 for the 12 months prior. I would look at revenues first. So, for the entire fiscal year for fiscal '22 we ended up five percent off target. So, we ended up at 105.5 percent. So, we missed the target by five percent for the entire Enterprise Fund. The most important revenue sources on these I believe are the water and sewer sales and you can see we missed those target lines by one to two percent. So, we are very happy with those. The two outliers you will see are going to be assessment and assessment, which is not a surprise to us. We talked about impact fees and development fees. Again, those are all based on permits. We already kind of talked about multi-family and commercial, so we were not surprised that you exceeded our conservative numbers. So, again, those are two results of the outliers, direct impact from your -- or not your, but the direct impact from the decisions for multi-family and commercial. Again, we will always want to protect our most important revenue sources, which are water sales and sewer sales and, again, they are very strong and healthy at the moment. Revenues are complete. So, we will look at expenses. We will report personnel, operating and capital, just like we did with the General Fund. So, the first category of operating that we look at is personnel. For the entire fiscal year '22 we ended up spending 87.2 percent of what you budgeted us for fiscal '22. Our average for Enterprise Fund is 89.8. So, a little bit lower than our normal average since 2016 that we have been tracking this data for and, then, you can see the -- again, they are all pretty -- pretty much average at 87, 88 percent and the primary reason for the

underspending is due to the staffing. Again, you will see this as a common statement. We have vacancies. We still have vacancies. We are managing the vacancies the best we can. We are trying to hire as often -- as fast as we can, but '22 just presented some challenges unique to itself. So, you will see that -- I would say the answer for all four of those reporting departments is vacancies led to the underspending of the personnel budgets provided to us for fiscal '22. The next major reporting group is operating. For the fiscal year '22 ended we spent 85.8 percent of what you provided us from the budgets. Our average for the Enterprise Fund is 81.2 percent. So, we performed better than we have in the past. Again, the averages are based on data collected since 2016. So, as you can see the largest department with the primary -- or largest gap for this data is going to be the water department at 14.1 at 570,000 dollars and that was primarily for the -- let's see what we got. I believe that was for the water meters and consulting projects. And, then, the largest gap percentage is for the Public Works Department, you can see it's 32.1 and they left 300,000 dollars on the table with 264,000 of those 300,000 dollars being requested to be carried forward -- again, ongoing consulting projects that need more than 12 months to complete. Other than that, again, the operating expense for the Enterprise Fund was -- again what we would deem as solid. The last reporting group is capital. Capital Expenditures for fiscal year '22. Enterprise Fund spent 34.3 percent of the budget that you provided them for fiscal '22. From a value standpoint that's 30 million dollars left unspent, but they did request 29 million of the 30 million to be carried into '23 to continue the projects, so that they can complete those in fiscal '23 and '24. So, hopefully, by the end of '24 you will see that they have -- they will have spent 44 of the 45 million dollars that they requested from you in fiscal '22. So, with that Enterprise Fund in summary, revenues were off by five percent on the good side. Personnel, operating and capital you can see we are off on the good side again, underspent, under budget, with explanations of why we were under budget on those particular three reporting groups and that leads the question what did that do to the fund balance of the Enterprise Fund? When you put it all together we added 11.1 million dollars to the Enterprise Fund balance. Again, majority of that is going to be requested to be carried into fiscal '23. So, it is already in theory spent with the projects that we are moving forward with and you can see the reporting groups, how they impacted the Enterprise Fund fund balance of 11 million. When you add those four numbers up that's what you get to for 11 million. So, of that 11 million what did that do to the impact -- sorry -- not Impact Fund, for Enterprise Fund. Fiscal year ending 9/30/2022 your Enterprise Fund is now 96 million dollars. Of the 96 million dollars we have 75.5 million assigned. So, that means we have got projects planned for, we have got projects ready to move, so of that we are in -- leaving about 16 million for assigned for reserves and, then, we have 4.8 unassigned. So, if we add up the 75 for assigned projects that we know that are moving forward and, then, 16 million for reserves, that leaves you about 4.8 on unassigned fund balance dollars for the Enterprise Fund. Now, with that I believe that's the summary for the Enterprise Fund. I'm happy to answer any questions on the results of fiscal year 2022 Enterprise Fund.

Simison: Council, any questions? Okay.

Lavoie: Thank you. So, we will go ahead and jump into the Impact Fee Fund. So, for fiscal year 2022 ending, our revenues ended 6.4 percent higher than what we projected. Again, the growth of the permitting outpaced our projections. Again, we will continue to adjust our projections based on results and what we believe will be approved. I will go through Fire, Parks and Police independently, just so -- just so you can see the results of each fund. So, the Fire Department ended the year with 34 percent more revenue than what we projected, again, based on the commercial and the multi-family and, then, the Fire Department spent 37 percent of their fund balance. Again, as you know, they are building two fire stations right now. Next year will be a different story. We will have a much higher number spent, because by then that should be majority of that project -- those two projects should be complete. That will get us to the next department that we report on that is the Parks Department. Again, they came in a little bit under budget from a revenue standpoint. They don't get to charge for commercial, which is a large function of why you see the Parks -- or Fire and Police you will see the revenues higher. They don't get to collect revenues from the commercial activity. So, again, we missed their target line just by a little bit. Again, we will continue to tweak our projection, so we can get closer to a hundred percent, but they did under spend their budgets -- they spent 43 percent of their budget and that's primarily for Discovery Park, which, as you know, is still in process. So, in 2023 you will see probably a larger spent for '23 and, then, the last department we collect impact fees for is the Police Department. Again, revenues exceeded our projections and, then, their budget for capital, as you know a precinct is currently being worked on, so in 2023 you should see a larger spent results for that one, which is -- which gets us to the final results of the Impact Fee Fund. We ended the year six percent higher in budget for revenues, but we only spent 39 percent of the capital, which was all -- which will be carried forward into '23, which will be spent mostly in '23 and '24. So, what did that do to the Impact Fee Fund in general? We used 4.1 million dollars of the Impact Fee Fund, which is great. Again, we are a save before you spend agency, just like the Enterprise Fund, General Fund, Impact Fee is the same way. We save it before we spend. So, we are finally drawing down on those fund balances that we have been saving for. No different than the Enterprise Fund does and no different than the General Fund does. We save it, so we don't borrow and so that's why you see a negative on that position for the impact fees. Again, this is exactly what we want to see happen on the Impact Fee Fund. So, those are the three -- well, the General Fund, the Enterprise Fund and the Impact Fee Fund. Those are what we have to by ordinance present to you. So, again, presented those three particular things to you. The next quarterly meeting -- again, I will be presenting to you more in a demographic standpoint and it will -- won't be a presentation from here, I will just e-mail you the results and, then, with that I stand for more questions if you have them.

Simison: Thank you. Council, additional questions or comments?

Overton: Mr. Mayor?

Simison: Councilman Overton.

Overton: Todd, once again, fantastic review of our city's financials and how healthy the city's going and kudos to your staff, for you guys putting together such a detailed list of everything and explaining in such detail the differences that we see, so we are not just looking at a graph trying to figure it out ourselves. Excellent job. I appreciate it very much.

Lavoie: Appreciate it, John. Again, you guys start -- you guys give us the budget and it's our job to make sure we are accountable to you and the citizens and that's our job. Again, I would -- I would agree with you, John, that the city is in very strong financial condition. Robert and I have been working together for 15 years and I can still stand in front of you, Robert, right now and say the city's debt free. It's pretty amazing that we are an outlier in the United States of America that we are still debt free. Robert, nice to have a plan for a ten year plan to stay debt free. Again, we will have discussions each year. But the city is in a very healthy position, something to be proud of as you -- Council, you give us these dollars to spend and, then, your directors and Robert spend it. So, again, we are happy to present. This is a great -- I enjoy standing up here and saying, yes, you are in a great position, John.

Simison: Council Woman Strader.

Strader: Yeah. It's a question that Councilman Cavener I think had as well, but I don't think he was able to join us and I think -- but it's just a general question as we look for the budgeting process this year kind of what can we expect, you know, in terms of the process, when should we receive our budget books? Do we have a different format? And I realized that's not the exact topic of this presentation, but I just think it would be good to get kind of an overview, either now or in a follow up.

Lavoie: Fair question, Liz. We were happy to present to you the budget calendar. We will e-mail you the calendar with all the due dates. It will hold your hand through when we expect communications from our directors, from Mayor, from the Council, any inputs that you would like to contribute to the development of the '24 budget -- you will receive the budget book closer in the month of May. We have provided you and all employees here at the City of Meridian access to the budget in detail via our software solution called Questica. We are happy to provide any training to any of our employees, to you Council Members, to allow you to be informed and empowered to be able to research any of the budget dollars that we are going to present to you in the month of May with the Mayor's budget proposal. But, no, we will get in May another budget book -- another budget calendar out to the Council so they can see the -- the deadlines and due dates of when we would like to have information presented by you, Council, and/or the directors to Robert for consideration for the '24 budget development. Would love the input.

Strader: Thanks for sending. Appreciate it.

Lavoie: Yep. Thank you.

Simison: And I will just add that for some of us that starts on Friday.

Lavoie: Yes, it does.

Simison: Council, any other questions or comments? All right. Well, thank you, Todd. And, again, thank you to the whole Finance Department for all the work on helping keep us all in the black, because that's where we prefer to be.

Lavoie: Appreciate it. Thank you.

Simison: Thank you. All right. With that do I have a motion?

Hoaglund: Mr. Mayor, I move that 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. And we will see you back here at 6:00 o'clock.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

MEETING ADJOURNED AT 5:36 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT E. SIMISON

_____/_____/_____
DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK