

A Meeting of the Meridian City Council was called to order at 4:33 p.m., Tuesday, March 8, 2022, by Mayor Robert Simison.

Members Present: Robert Simison, Luke Cavener, Treg Bernt, Jessica Perreault, Brad Hoaglun and Liz Strader.

Members Absent: Joe Borton.

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Christena Barney, Mike Barton, Tracy Basterrechea, Joe Bongiorno and Dean Willis.

ROLL-CALL ATTENDANCE

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

Simison: Council, call the meeting to order. For the record it is March 8th, 2022, at 4:33 p.m. We will begin this afternoon's City Council work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item is the adoption of the agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: There is one item we need to fix on the agenda. Under the Consent Agenda, Item 6, it says final plat. That should read final order. So, with that change, Mr. Mayor, I move adoption of the agenda as amended.

Bernt: Second the motion.

Simison: I have a motion and a second to adopt the agenda as amended. 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: FIVE AYES. ONE ABSENT.

CONSENT AGENDA [Action Item]

- 1. Approve Minutes of the February 22, 2022 City Council Work Session**

- 2. Approve Minutes of the February 22, 2022 City Council Regular Meeting**
- 3. Knighthill No.3 Water Main Easement**
- 4. Shelburne South No.1 and No. 2 Sanitary Sewer Easement No. 2**
- 5. Final Plat for Biltmore Estates Subdivision No. 4 (FP-2022-0007) by Engineering Solutions, Generally Located 1/4 mile South of W. Victory Rd., on the West Side of S. Kentucky Way and 1/2 Mile West of S. Meridian Rd.**
- 6. Final Plat Final Order for East Ridge No. 3 (FP-2022-0003) by Sophia Durham with Conger Group, Located North of E. Lake Hazel Rd. Between S. Locust Grove Rd. and S. Eagle Rd., on Parcel S1132438570**
- 7. Final Order for Oakwind Estates No. 1 (FP-2022-0001) by Brandon McDougald with Kimley-Horn, Located at 6180 W. McMillan Rd.**
- 8. Findings of Fact, Conclusions of Law for Inglewood Commercial (H-2021-0095) by Goldstream, Located at 3330 E. Victory Rd.**
- 9. Findings of Fact, Conclusions of Law for Lennon Pointe Community (H-2021-0071) by DG Group Architecture, PLLC, Located at 1515 W. Ustick Rd., in the Southeast Corner of N. Linder Rd. and W. Ustick Rd.**
- 10. License Agreement Between the City of Meridian and the Nampa & Meridian Irrigation District for the Creason Pathway**
- 11. Task Order in the Amount of \$2,000.00 Between the City of Meridian and Key Detail for Mural Design at unBound Library for Design Services**
- 12. Police Department: Fiscal Year 2022 Net-Zero Budget Amendment in the Amount of \$900.00 for Idaho State Liquor Division Mini Grant**
- 13. Fiscal Year 2021 Financial Audit Report**

Simison: Next up is the Consent Agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: As previously noted, number six should read final order for Eastridge No. 3. I would move approval of the Consent Agenda and for the Mayor to sign and Clerk to attest.

Bernt: Second the motion.

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: FIVE AYES. ONE ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: No items were removed from the Consent Agenda.

PROCLAMATIONS

14. Procurement Month

Simison: So, we will do proclamation and if we could have Keith and Sandra join me at the podium for Procurement Month Proclamation. So, Council, we are joined by Keith and Sandra, who do an excellent job for the city trying to keep everyone buying things properly in the state of Idaho, which is an important topic, but as important is -- it's not just the fact that we do things properly, but that we are the leaders in the state in terms of helping ensure that we have good public policy for that exact purpose and Keith and Sandra lead the way from that standpoint. So, with -- with your boss in the room as well and other members of the Finance team, we will go ahead and do this proclamation and, then, turn it over for any comments you would like to make from that standpoint. So, whereas the public procurement professionals play a significant role in the efficiency and effectiveness of both government and business and whereas in addition to the purchase of goods and services procurement adds value to the organization by performing such -- such functions as executing, implementing, and administering contracts, developing strategic procurement strategies, and cultivating working relationships with suppliers and departments within the organization and whereas Idaho government procurement professionals dedicate themselves to providing the best value for every taxpayer dollar and continue to expand their knowledge, skills, and abilities and whereas the Idaho Public Purchasing Association IPPA, through its members, is committed to providing high caliber strategic, logistical, and operational support of all agencies associated with the chapter and whereas the IPPA recognizes, supports, and practices the public procurement values and guiding principles of accountability, ethics, impartiality, professionalism, service and transparency established by the Institute For Public Procurement in ITB. Therefore, I Mayor Robert E. Simpson hereby proclaim March 2022 as Procurement Month in the City of Meridian and urge the residents of the community to join the Idaho Public Purchasing Association in recognizing the role of purchasing and materials management professionals within business, industry, and government, dated this 8th day of March 2022. Congratulations.

Watts: I just want to say a big thank you to Robert -- Mayor and Council, you guys are a tremendous support for us. We are not always the favorite folks to departments. We get

to tell them what they can and can't do and that sometimes is a tough pill to swallow, but we keep people above board and following the rules and the laws with Idaho and I really support -- appreciate the support outside of the city as well with the legislature and those endeavors that we take on as well. So, I just want to say a big thanks.

Ramirez: And I just want to say thank you and it's really a pleasure and an honor to serve all of our citizens and to do it with integrity and to do it with just coming in every day and -- and serving our community is -- it's an honor. It's an honor to do that. So, thank you for all the support. I appreciate it.

Simison: Council, just for the record, there were a lot of big words that were together in that one. I did -- I was very proud of my ability to not mess up some of those words and I'm going to pat myself on the back today.

Cavener: Nice job, Mayor.

Simison: Thank you.

Bernt: Very well done.

DEPARTMENT / COMMISSION REPORTS [Action Item]

15. Transportation Commission: 2021 End of Year Report

Simison: A lot of words. With that we will move on to our Department/Commission Reports. Item 15 on the agenda is the Transportation Commission 2021 End of Year Report and we will have the Chairman Walter Steed here to give us an accounting of the great work that our Transportation Commission is doing.

Steed: Thank you, Mr. Mayor, Council Members. Good afternoon. I will try to do as well as the Mayor did. I'm Walter Steed, chair of the Moscow -- Meridian -- I knew I was going to do that. Meridian Transportation Commission. Did the other for ten years. This is the 2021 end-of-year report. The commission is made up of myself, Eric Smith, David Ballard, Stephen Lewis, Tracy Hopkins, Ryan Lancaster, Tom LeClaire, Zachary Shoemaker and our student rep is Joseph Leckie. The commission was formed in 2013 with Ordinance 13-152. It consists of nine appointed commissioners and meets in the Council Chambers the first Monday of each month, with the exception of September. In 2021 I served as chair and Jared Smith served as vice-chair and we are doing the same in 2022. Representatives from ITD district three, ACHD, COMPASS, Valley Regional Transit and the West Ada School District attend as ex-officio members. Planning Division Manager Caleb Hood and Associate Planner Miranda Carson provide staff support. Ted Baird and Emily Kane, deputy city attorneys, provide legal guidance. Before being promoted in October, Lieutenant Brendon Frasier provided regular traffic issue updates and concerns from the police department to the commission. Sergeant Justin Dance now provides those updates. City staff provides monthly updates regarding the progress of ITD and ACHD projects in Meridian that are either in construction or soon to start. Additional city

staff and other staff from the ex-officio agencies interact with the commission from time to time, as new members of the public. Regarding what we did last year, in January 2021 the commission discussed the ACHD integrated five year work plan, better known as the IFYWP for 2021-2025. Roadways, intersections, and community program priorities were examined. The Transportation Commission project review subcommittee met and provided an update on the Eagle Lake Hazel to Amity project. The ordinance and development subcommittee met and provided an update on their work on a proposed new ATV-UTV ordinance. In February Zachary Shoemaker was appointed as a new member to the commission replacing former member Dave McKinney, who moved on to ACHD. The commission held a public hearing to discuss the ATV-UTV proposal ordinance draft. Eight community members provided testimony and six others signed up in opposition, but did not speak. COMPASS provided an overview of a high capacity transit survey being done in the region for the Communities In Motion 2050 Plan. The transportation prioritization subcommittee was formed to review future IFYWP list in depth and the new version for 2nd Street, Broadway to Idaho, was also presented to us and discussed. In March the ordinance and development subcommittee again met and revised the proposed ATV-UTV ordinance based upon in-person input we had received. ACHD introduced the South Meridian Bicycle and Pedestrian Plan to the commission. The Meridian Downtown Business Association reported to us with input regarding alleyways in downtown Meridian. In April a citizen concern regarding parking on Washington Street was brought to us and discussed. The prioritization subcommittee met again to begin reviewing projects for inclusion in the IFYWC. The ordinance and development subcommittee continued to meet discussing the ATV-UTV ordinance draft. In May the commission discussed a citizen concern regarding turning traffic problems that they saw at Chinden and Black Cat. The ordinance and development subcommittee met again discussing the ATV-UTV ordinance and Tom LeClaire, chairman of that subcommittee, presented a draft to the commission, which was subsequently passed to recommend the City Council adopt the proposed ordinance change. In June a citizen concern regarding parking on Deer Crest was brought to us and discussed. ACHD introduced the new livable streets performance measure for all as a metrics of pedestrians and bicyclists level of stress on respective facilities. VRT presented possible solutions to the issue of parked cars blocking a proposed bus stop at Pine and 3rd. The downtown Meridian parking study completed by the Community Development Department was presented to us. In August the ACHD provided an update on the south Meridian bicycle and pedestrian plan to the commission. COMPASS presented to us the FY-22-28 Regional Transportation Improvement Program. In October we were pleased to have Girl Scout Troop 401 come and speak to us about a perceived pedestrian crossing concern they had on McMillan between Ten Mile and Linder. Commission members were very impressed with the presentation, conveyed it to ACHD, who was aware of the problem and plans to address it in the near future. The girls were encouraged by us to continue to speak up to public officials when they see things with which they are concerned. In November Valley Regional Transit presented on ridership of the fixed route Harvest Transit and VA shuttle systems. Sergeant Dance was introduced to the Commission as the new police department representative. There was a discussion regarding preservation for local road access to Chinden west of Idaho 16. In December the commission was given a demonstration on the use of various tools and resources we can

use to explore construction -- construction project updates that are not part of staff's regular monthly transportation projects update memo. A complete record of Transportation Commission minutes can be found on the city website. We are very grateful for the opportunity to provide service to the citizens of Meridian and the City Council regarding transportation systems in our community. We have missed Council Member Cavener attending our meetings and I would like to ask and invite each or every one of you, when you have an opportunity or an interest in something in our -- in our -- in our meeting agenda to please attend. Thank you, Mr. Mayor.

Simison: Thank you, Walter. Council, any questions?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Not a question, just a comment for Council and for -- for Chairman Steed and it's just as appreciation. I think this -- the Transportation Commission a couple of years ago moved from a reporting body to being much more active and involved and initially I think that was the right decision for the commission, but what I didn't realize until Chairman Steed was going over is the benefit that it has also brought us as the Council is that as a commission full of subject matter experts -- and this commission is diverse in opinions and ideas and suggestions -- to have -- watch that body work through things and provide feedback to the public -- I think, one, it's a great service to our community, but it's also a great service to the -- to the Council and I just want to say I -- I appreciate your leadership and the Commission's efforts to really serve our community from all different facets and angles. It's very appreciated.

Steed: If I may, Mr. Mayor, Council Members, thank you so much and I would like to encourage you, as you have done before very recently, when the Council has something come directly to them that they think we might have some value in examining further in detail, possibly commenting on, we are happy for you to do that and look forward to it.

Cavener: Thanks, Walter.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I was just curious about the ATV-UTV ordinance. The previous times that -- that it came before us with some planning changes there were -- there was a lot of discussion as well. So, do you guys have an update on the expected timing to see the refreshed version of that?

Steed: We are not working on it. When Council took it -- when we recommended it to Council and Council acted on it, we have no longer discussed it, unless Council has some reason to wish to send it back to us.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. That's helpful. Yeah. I was -- I heard that you were -- that somebody in the commission was looking at it again, so I must have misunderstood. That's something that happened before we looked at it.

Steed: Yes, ma'am. Mr. Mayor, Council Member, we -- we are not as a commission working on it. If one of the commission members is toying with it or something I have not heard about it.

Simison: Council, anything else? And thank you, Walter, to you and Miranda and the whole team, and Caleb to help get all the prep work for the commission for the conversation and discussion as well.

Steed: Thank you, sir, Council Members. Have a good day.

16. Human Resources: Fiscal Year 2022 Budget Amendment in the Amount of \$254,000.00 for Employee Health Benefits Trust Funding

Simison: Next item up on the agenda is Item 16, which is the Human Resources Fiscal Year 2022 budget amendment in the amount of 254,000 dollars and turn this over to Mr. Nary and Ms. Barney.

Nary: Thank you, Mr. Mayor, Members of the Council. I'm here on behalf of the Health Benefits Trust. I'm the current chair of the Trust Board. Christena is another trustee and two of our other trustees, Eli Daniel and Alex Freitag, are here in the audience. The other fifth trustee Eric Strolberg is out of town this week. So, we are here on behalf of the trust to request a budget amendment for 234,000 dollars and I could probably walk through a little bit of it. Probably Christena can give a lot more of the detail on where we are at and I don't know where -- oh, there we go. Okay. So, anyway, as the -- so, the trust came into being -- for those that don't recall, it came into being with fiscal year FY-21. So, that would have been in the fall of 2020. So -- or -- yeah. Fall -- fall of 2020. All right. So, just in time for us to be able to get in front of the pandemic. So, great timing on that regard. And so, anyway, as the trust was formed part of our responsibility is to create -- is to hire an actuary to give us their best estimate on the costs and expenses for the trust going through each fiscal year as we go forward and, Christena, maybe I will let you handle the specifics on that and kind of explain how did we get to where we are at today.

Barney: Yeah. So, as Bill alluded to, we pay an actuary who works through standard accounting methods, does projections and forecasts to try to establish, based on our trends, where should we set our rates for our trust. That being said, no one knew that there was going to be a worldwide pandemic at the beginning of our trust, so there were some unknown costs associated with that and that's one of the reasons -- and we will dive more into that in a minute -- that we are in front of you today and, then, going into

2022 to establish the rates for this year, we also didn't have all the final numbers from COVID. Since, then, since we have established those rates, we now have statistics and analytics from Blue Cross that show us what the cost to our plan is for those COVID-related expenses, which is to the tune of about 190 and growing each week. So, that's part of the reason that we are here in front of you. In addition, the last part of last year we also experienced higher than normal claims. So, part of the actuary process is to assume that we are going to have some high claims, one NICU baby, one cancer, those types of things. They wouldn't ever anticipate us having more than that, because, then, you are setting your rates too high, you are taking too much money from the city and from the employees to fund that trust. In the last year we have had more than normal large claims and so that has accounted for quite a bit higher claims cost than we had anticipated when we set our rates. So, of those we had three NICU babies, which are a million plus for each one -- or for all of those together. So, they are about 300,000 plus each. Then we had two patients that have a really high medication -- quality of life medication, which are about 300,000 apiece as well and, then, we also had a -- a cancer patient on our plan. So, although we can anticipate some of those things through our actuary, we don't anticipate all of those. In addition, as I -- as I had already mentioned, this slide is actually a little bit old, so it's a couple weeks old. That -- that number has now grown to 194,000 and growing, but we can account 191 based on this slide 1,002 COVID-related costs, whether that be testing or immunizations or hospitalization or anything like that.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Is it okay if we jump in with questions? Okay. Or maybe just a comment. The previous two slides I think we were a little bit uncomfortable, just because this is the reason we all have insurance; right? Is in case something catastrophic happens and I certainly wouldn't want any employees to feel singled out or anything like that. Life happens and, you know, actuaries can't predict what's going to happen, but I just wanted to say that I -- this is the reason we have insurance. My broader question is as we are looking at this I -- I think we have seen multiple budget amendments from what I recall a couple of years in a row for the self-funded trust. Do we need to change how we are budgeting for it going forward? That's like my broader question.

Nary: We have only had one actual budget amendment and so -- and that was for money that was already funded and it was just -- and maybe Christena can explain this. We have only had one. So, we haven't had a number of them. This would be the second one.

Barney: Yeah. And -- and to address, you know, your concern about the previous slides, those are just to illustrate a picture and kind of get the Council comfort level that we are not just arbitrarily coming and asking for money, there is a reason behind that. Not at all that we don't want people to use their benefits, because we do and if you need care, get care, but this is just kind of the cost of doing business. If we were fully funded we would end up paying for that anyway in a double digit rate increase. We are just seeing it in a

different form, because we are self funded.

Nary: Well, I think -- I guess one of the things we want to make clear to all of you is but for COVID this very identifiable cost that was not anticipated as part of the actuarial process, we wouldn't be here. The difference we are talking about is the Department of Insurance is wanting us to correct this deficit that's in our reserve and, then, just move forward from there. We have -- we -- the Mayor's office in their future ARPA request might include this request of the COVID, because it does qualify. That's a decision for the Mayor's office and the Council to make it a future discussion. But regardless of whether that qualifies or not, the Department of Insurance would like us to right that, but in my opinion -- and Christena can correct me if I'm wrong -- if we were only here about that difference of 65,000 dollars, we wouldn't be asking for a budget amendment. I don't think they would have the same concern, because, again, the cost of doing business does catch up. All the costs that we would anticipate -- and even though there were higher claims than we normally would have anticipated, can get absorbed through the cost of how the business operates the trust. So, the concern would not be the same, but for this very one significant expense. I mean all those other things are things we can anticipate. The high cost of pharmaceuticals, again, I think all of you are aware out in the marketplace how that has changed significantly over the years. I tell people all the time in my trying to educate folks, if you watch a commercial and it tells you they will help finance your medicine, it's because it's super expensive to buy it and you can't afford it and they already know that, those are expensive medications for people. Our view from the trust is if that's what your doctor says you need, then, that's what you need. That's what the cost of this trust -- or any trust or any insurance plan is going to be. We get -- we understand that. That I don't think is the concern or issue that we are trying to address. We are really trying to address an anomaly that none of us could have anticipated.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks very much. And just curious, I mean it looks like a large dollar amount, but relative to the total amount I'm assuming that on a percentage basis it's within a standard deviation -- or it's a small percentage. Can you -- can you frame it up in a percentage of our reserves or some other metric that would put it into context?

Barney: You are asking an HR person to do math on the fly. I do know that our contributions -- our annual contributions are roughly 7.2 million.

Strader: Thank you. That -- that's very helpful.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I'd like to ask a question along those same lines. So, the 180,000,

approximate, budget amendment from last time, was that for fiscal year 2021 and, then, this now is for our current fiscal year? Is that -- okay. So, this is an estimate that will cover the difference -- if I understand correctly, the budget amendment from last year that -- that was 185, 181, something like that, the actuary also had attempted to -- to do an accurate accounting, but didn't anticipate COVID, and we are kind of here again. Is -- is this going to cover -- is this budget amendment going to cover us for the rest of the fiscal year '22? Like '21, '22?

Barney: Yeah. Council Woman Perreault, so that 185 that we came before you in the last fiscal year was for the surplus. So, the trust has to have a reserve of three months and, then, also a surplus and that is for incurred, but not reported claims, and we -- when we self funded were not aware that that was a requirement until last year and so that's why we came before you for the 185. This 254 is to kind of set the record straight, get our reserves that our surplus where they should be, yes, to get us through this next fiscal -- fiscal year. There are some things we can't anticipate. Large claims, more employees with larger families, or people with medical issues coming in our plan. So, I can't say for certain that we won't be in front of you again, but for right now this should get us through this fiscal year.

Perreault: Mr. Mayor, follow-up question on that.

Simison: Council Woman Perreault.

Perreault: So, is the surplus a percentage of the total contribution and will that go up because our costs have increased? Are we going to need additional beyond the 185,000 now, because our claims are higher?

Barney: No. That's reevaluated each year and typically it's accounted for in our rate development and so when we just establish what our rates will be for the next plan year we embed that in.

Perreault: Does this now put us past the savings that we had in the former way of -- the former plan that we had with Blue Cross? This -- is this -- the self funding no longer a benefit to us I guess is my question.

Barney: So, we went full funding not necessarily to make money, we did it to be able to allow some better plan flexibility and I think in this market when we are trying to hire and so as everyone else, that has given us a leg up, being able to have some added programs that we weren't able to have before. Like I had said earlier, we are going to pay for this one way or the other. So, if we had been fully insured we would have had double digit and there are area competitors that had 20 plus percent increases this last year to account for those higher medical, the higher claims, the COVID costs and all those things. We didn't encounter that, we only encountered just below a 7 percent increase, but you end up paying for it one way or the other. Now we are in front of you asking for additional funds to make sure we are compliant with UI.

Simison: I didn't know if you guys got through all your presentation or --

Barney: Yeah, I think so.

Simison: Okay. Council, additional questions?

Bernt: Mr. Mayor? The only question I had that you addressed, Bill, in regard to maybe using ARPA dollars or COVID federal dollars, whatever, to cover those costs and so maybe that can be a conversation at a later date.

Nary: I would anticipate that is going to be a conversation.

Bernt: Good. Thank you.

Simison: Mr. Hoaglund, do you have anything that you would like to add or do at this point in time?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: As a matter of fact I would. I would like to move approval of a fiscal year 2022 budget amendment in the amount of 254,000 dollars for employee health benefits trust funding.

Cavener: Second the motion.

Simison: I have a motion and a second to approve Item 16. Is there discussion? If not, Clerk will call the roll.

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

Simison: All ayes. Motion carries and the amendment is agreed to. Thank you.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

17. Finance Department: Quarterly Update for Fiscal Year 2021 Audited Financial Results

Simison: Next item up is Item 17, which is the Finance Department quarterly update for Fiscal Year 2021 audited financial results and turn this over to CFO Lavoie.

Lavoie: Good afternoon, Mr. Mayor and Members of the Council. It's been quite a while since I have seen you, so it's good to see you again and I appreciate the time to allow us to present to you the quarterly update, which is, actually, your fiscal year 2021 financial

results. As you know -- or as you saw on the Consent Agenda, we did supply you the fiscal year '21 audit report as presented by the independent auditor Eide Bailly. Again, we presented to you on the Consent Agenda this year there were no significant findings or material items to present to you and the Eide Bailly auditors had no personal comments to deliver to you, so we just kept it on the consent. We do want to let you know that if there were material findings or if there were items of interest or if there was comments by the auditor we would have presented both in a more detailed fashion. But that is why it's on consent. It's a clean audit and so, therefore, we just left it on the consent and what we will provide to you instead -- or -- today anyhow is the actual results from fiscal '21. We would provide this report to you either way. Instead, the auditors would have presented the audit report, but, again, that's on consent, it's a clean audit, so, again, congrats to you and your city members for executing the budget that you have asked them to do. Again, you have mentioned procurement proclamation today. Again, people are following the policies that we have in place, so, again, appreciate the support that you give to Finance, the team, all the employees, to meet the clean audit that we were able to deliver you and your citizens this fiscal year. So, with that today I'm going to go over the fiscal year '21 audited results. I'm going to compare the budget to the actual results for you for fiscal '21. We will start off with the General Fund, move to the Enterprise Fund, and, then, we will touch on the impact fee fund. Within each fund I will describe to you what impacts we had to the overall fund balance for each fund. So, we will go revenues, expenses and overall impact to the fund balance. So, with that let's start off with the General Fund. So, this is -- this first section is just going to be the revenues. So, discuss the results of the revenues for fiscal year '21 and for fiscal year '21 at the end of the day for all the General Funds we ended up at 17 percent higher than we budgeted for. So, when we stood here back in -- I guess 2020 to present the '21 budget, we ended up 17 percent higher than we expected. The largest percentage difference that you will see on this graph is within the charges of service -- or for services and this is due to the golf course. We back then did not put a budget into the financial system, because we did not know what to put in there. So, therefore, the actuals came in with no budget. So, therefore, the actuals are higher than the budget, so it's a -- it's a little funny, but that's the reason you see charges for service higher than the budget, because we did not establish a budget at that moment for the golf course. Going forward for fiscal '23 this will be our first year that we will establish a budget for the golf course. So, just to let you know you will probably see this result in '22, because we don't actually have a budget in '22. Last year we stood here in front of you we did not establish a budget. So, again, you might see this same situation for '22 actual results, but when we get there we will go there, but, again, '23 we will establish a budget. In enter -- intergovernmental revenues, again, you will see we are off by 22 percent. This is mostly due to the strong sales tax revenues. You have heard about it probably in the news that sales tax revenues in the state of Idaho are very strong and this -- the largest contributor to that over budget is for sales tax revenue. During 2020 of April when we established our revenue forecasts, COVID was still pretty prominent and we went pretty conservative on the sales tax revenue. So, that is a result from sales tax revenue. So, again, the property taxes ended up two percent higher -- 2.4 percent higher. We are very happy with that projection. We do want to remind everybody that property taxes is our number one revenue source by far, as you can see on this graph, so we want to always make sure we manage our property taxes

to the best of our ability, since it makes up the majority of our revenue streams. The licenses, permits, sales tax revenue, those are all more variable. If sales are up you get more. If sales are down you get less. Development same thing. Less permits, less revenue. Property taxes is very solid for us. Houses usually don't get up and leave. Commercial buildings usually don't get up and leave the city. So, we know we have a very sound solid revenue source for the City of Meridian, so that we can provide public safety, parks and things. So, again, we always want to protect and manage our property taxes to the best of our ability. So, those are your revenue sources for the General Fund. Now, we are going to go into expenses. We will go personnel, operating, capital. Same kind of layout. I will go and try to get these -- to these pretty quickly for you. Overall the city's General Funds expended 97.6 percent of the budget. So, very very good. Our six year average is 90 percent. So, again, we did very well from an expenditure standpoint for the personnel. The largest percentage gap you will see there is going to be 90.7 for community development. The gap for that is primarily due to vacancies. Again, very difficult hiring period right now. The largest dollar value variance is going to be the police department, about a million dollars, quote, unquote, left on the table. Again, it takes a while to get the hiring movement for police and we respect that. We understand that. So, that is the main reasons for those two differences. Mostly just hiring troubles, hiring timelines, hiring difficulty. You will see the Parks Department is a little over budget and, again, that falls on to the golf course. We didn't have a budget for personnel, but we have the expense. So, again, therefore, we were not able to represent the budget accordingly. So, that's why you will see this is a common answer for parks, just give you a heads up, but that is why you see that issue for the Parks Department. We did not establish a budget. Next section is going to be the operating -- operations. The city ended up spending 78.8 percent. It's a little bit lower than our six year average of 82.2 and this is primarily due to -- you will see in the admin division. If you remember we budgeted 2.5 million for Linder Road, so that moves my budget with no expense. We had grant monies for COVID. Again, that moves my budget up, but we didn't -- haven't expended them. So, therefore, my budget is much higher than my expenses, so that's why you see that big variation in the admin. We will get to that point of spending it. We are taking that money forward in '23 or '22, so that's why you see the large gap there. Linder Road, CDBG, and Cares Act money, we just haven't gotten around to spending those monies, but we will in '22. Again, Community Development you will see exceeded by 33 percent. That's due to the large demand for development and growth. So, for all the expenses you see higher here, they also have an offsetting revenue. So, they would only incur these expenses if they have the revenue source to it. So, again, that -- it is scary looking, but just let you know we have offsetting revenue, because for every permit pulled we have an expense associated to permit, so they are kind of one to one. And, then, Parks Department is over budget because of the golf course. Last item for expenses for the General Fund would be capital. For the city for fiscal '21 we spent 41.4 percent of our total budget that the citizens approved for us. So, what that equates to is 8.4 million dollars not spent. So, of the -- all the bars you add up, we left 8.4 million unspent. We have carried 7.7 into this fiscal year. So, when you add it all together we should spend about 13.7 of the 14.5 million dollars over the two year period. Sometimes capital projects don't get done in a fiscal year, so we have to carry it and that's what you are seeing here. Of the unfinished projects of 8.4 million, we are going to carry 7.7 into next fiscal year.

So, again, we will continue to let you know how we are doing on these projects, but that is why you see that and, again, we will carry that into the next fiscal year. The largest number is going to be in the Police Department you see there, but they have got Scenario Village, precinct construction and police station improvements, which, one, I think -- I think Scenario Village is actually done. So, that expense has already been taken care of and, then, the improvements I know are underway right now and, then, the precinct, again, you are very familiar with where we are at on the precinct. So, overall those are the revenues, expenses for the City of Meridian. So, again, General Fund finished 17 percent higher on revenues, 97 percent on personnel, 78 on operating and 41 on capital. Again, these are good problems to have, to have more revenue and budget and, then, less expenses than budgets. Again, a great problem to have for the City of Meridian. With that these are the results. So, when you take all the revenues, minus all the expenses, that equals excess revenue or what we call net income or net loss. So, this is the -- these are the results for the General Fund for fiscal year '21. We ended up adding -- increasing our General Fund fund balance by 16.79, so we increased our fund balance by that level. These are the contributing components to that. Impact fees, again, as a reminder we have a save before we spend model here in the City of Meridian. So, these funds that we are saving we are going to spend at a later date for capital projects. So, we added 5.7 million to the Impact Fund, saving up money for fire stations, park development, police stations, community development. You see the numbers according there. So, again, we added 16.7 million to our fund balance for those projects, such as fire stations, community center, pathways, Linder Road overpass, potential other projects, Community Center, parking garage and precincts. So, again, we are saving this money for a future reason and that's what our annual comprehensive financial plan management is. We do a five and ten year projection on what we believe we need to use these dollars for. So, again, that's the results of the General Fund. Again, we added to the fund balance. But, again, we have a ten year plan to spend -- expend more than what we have available in our ten year projection. Happy to answer your questions about General Fund. If not, I will jump into Enterprise Fund and their impact and they will look very similar to the flow.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks, Todd. You know, I -- I understand; right? So, we have a large General Fund balance that's growing. We haven't spent this money yet on a lot of large projects. When you kind of smooth that out, though, and assume that we will build our fire stations, we will build our police precinct and you map that out, do you think that we are considering the next five and ten years ahead in terms of where we should be in terms of reserves, in terms of our actual fund balance? Are we ahead of what we would have budgeted or are we behind? Are we right on track? Just give me a sense for what we anticipate and kind of how that stacks up.

Lavoie: Sure. The reserves I can answer. We are right -- we are right where we need to be. We are following the city policy that we have adopted, so we are great on reserves. We are in good shape for emergency and operational reserves there. So, the question I

think we need to manage is -- is how is the unreserved -- the uncategorized value. That one -- that portion of the fund balance did not increase very much. So, again, to answer your question how are we at the five year and ten year mark, right now we have a balanced five year CFP. So, that includes all capital, personnel, and operating needs of the city. But after the five year mark we don't have a fundable plan -- which is fine, that's -- that's within our guidelines. So, are we ahead or behind it? I mean I guess the question is do you want to have a ten year fundable plan? Then, the answer is we are behind, because I don't have enough funds or nothing but projections, but to me I think we have a very comfortable financial plan -- position. I believe what Robert and the department has put together from a needs assessment for the next five years is right on plan. The 16.7 million, again, a lot of that was from the impact fee fund, which we are saving for. A lot of that was for the Capital Improvement Fund, which we are saving for. We know we have these projects and that's why we put in these revenues in place, so we can save before we spend, because we have two stations, we have Discovery Park, we have a potential garage. So, I think we are right on par for our five year plan. A ten year plan -- I think that's a different discussion we can have offline, but five year plan I believe the Mayor and his directors have done great.

Strader: Mr. Mayor, a quick follow up.

Simison: Council Woman Strader.

Strader: So, you know, if we look at that -- okay, it's fundable. Does that include any assumption about property tax, taking the level three percent within that fundable five years?

Lavoie: The revenue projections that we use in our CFP do take into consideration that we are taking the full maximum value or available value of property taxes, yes. As they are written today.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Fair point, Todd, and it is very frustrating for all of us to just have a constant -- constant potentially multiple changes to the property tax system. Who knows what will happen. But thank you for the commentary.

Lavoie: Thank you for the questions.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Todd, when it pertains to our uncategorized revenue that is coming back into the General Fund and through the Community Development Department, I guess those

two specifically, is the change to the fund balance consistent what we have seen over the past three to five years? Is it more? Is it less? I guess the question I'm trying to get is -- is '22 -- is fiscal year 2021 an anomaly or consistent with what we have seen over the past few years?

Lavoie: Fair question. I did not analyze the -- and, Luke, I appreciate the question. What portion -- can -- 7.4 of this is for capital projects we had this year. So, I would have to look did we -- you know, that's the biggest chunk of this. Like is it going to be 7.4 associated with the impact fee funds and, then, the three point -- the three million dollars there -- that's a great question. What portion of the 16 is represented by unfunded -- or unfinished capital projects as compared to years past.

Cavener: Right.

Simison: Great question. I will have to get back to you on that one.

Cavener: Fair enough --

Lavoie: Yes.

Cavener: -- Mr. Lavoie, I appreciate it.

Lavoie: So, thank you, but we will get that answer by tomorrow for you guys.

Bernt: It looks like Luke won stump -- stump the CFO.

Lavoie: Yes, he did.

Simison: That's not what it's called.

Lavoie: I have a feeling that Jenny and Brad might be able to get you the answers before I even get off this podium, so, hey, we will see.

Simison: Okay. I think --

Lavoie: Any other questions about a General Fund? Again, appreciate the questions. Great -- great questions. Okay. We will jump into the Enterprise Fund. This is our second major fund that we report on to the citizens. Again, same layout. We will start with the revenue sources first. Overall the Enterprise Fund ended the fiscal year 9.4 percent higher, so we took all of our budgets, took -- took all of actuals and we ended the year 9.4 percent higher than we thought we would have been, you know, April of '19. The estimate for water and sewer -- again sales, right on par, right where we want it to be, off by two percent. We love that. The assessments are development based. So, again, we were a little bit conservative. Development came in a little bit stronger than we thought and that's what you are seeing there is development is stronger than our conservative projections on growth and the other two are mostly flat on four percent. So, as you will see that the

sales, again, are our most dominant -- our largest revenue source. Again, this is associated to your water and sewer bills and, again, we want to protect to make sure we manage those revenue sources the best that we can. Next we will get into personnel expenses for the Enterprise Fund for the fiscal year 2021. The Enterprise Fund ended the year at 93.2 percent, which is higher than their six year average of 90.3. The largest variance here from a percentage standpoint is the MUBS department and this was associated to a position that was on the books in 2021 and in 2022 the position was removed. So, now that position -- FTE budget has been reduced and, hopefully, in 2022 you will see it closer to 98, 99 percent. Let's see. What else? And I think those are the -- everything else is pretty -- pretty flat one and pretty good. Next one we have is the operating expenses for the Enterprise Fund for the fiscal year. We ended up at 81 percent, which is right on average at 81 percent for six years and as you can see the largest gap that we have on this screen is in the Public Works Department and just like the other departments, that was because of one million dollars in grant dollars for COVID we had not expanded at that time. So, in '22 you should see that expanded, but that -- of the gap -- it's 1.1 -- one million max up the grant dollars and, then, the water department is -- they left 17 percent on their books, which is about 700,000, and this was related to professional services and water meter acquisitions that did not come to fruition for fiscal '21. That gets us the capital. Capital we spent 21.9 million of the entire budget for fiscal '21. So, that value was 24.5 million. So, we asked for X -- or we didn't -- we spent 21 percent, which is leaving the difference of 24.5 million. Working with the Enterprise Fund team they requested from the Finance Department to carry 24.4 of that million -- five million. So, again, over the next two years they will spend 99.9 percent of it. It's just timing, construction, materials. You guys are all familiar with that. So, they have asked us to carry basically all 100 percent of the 24.5 million into this fiscal year, so they can complete the projects and the next year we will give you an update of how they did on that. So, the actual results for the entire fund itself, again, revenue is up 9.4 percent. Personnel, operating, and capital actuals are below. Again, great problems to have for the city. And with that -- again, the Enterprise Fund is the same way. We have a save before we spend model. We project out five to ten years in our fee management forecasts. In this case we added 20 -- 21.8 million dollars to our fund balance. As a reminder, 24 million we need -- we need to carry forward into fiscal year 2022, which tells you that we had planned to use fund balance in fiscal '21. Hence why '24 is larger than '21. I can't add more than I'm using. So, we are going to continue to use more fund balance, because we are a save before you spent model. So, of the '21 I would say 100 percent of that is already accounted for within 24 million dollar capital carry forward request that the Enterprise Fund requested. And, again, we apply the same forecasts approach to the Enterprise Fund. We do a five and a ten year forecast to make sure that we have enough funds in our CFP request and our fund balance to meet the needs and these are the four components that we believe and how they added or not added to the overall Enterprise Fund. So, with that that is the look at the Enterprise Fund. Happy to answer any questions if there are any. And I don't know the answer to whether or not this is abnormal or normal from a capital expenditure position.

Simison: Council, questions on the Enterprise Fund? And just like the budget, generally good on Enterprise.

Lavoie: Generally good on Enterprise, yes. Well, that gets us to the impact fee fund. Again, by state statute I have to report to you the impact fee funds separately. So, these are the results for the impact fee fund. These are 100 percent driven by development. You approve all the permits. The permits generate revenue. These are results of your actions on permit approvals. Overall the revenues for the -- sorry -- impact fee fund were 20.8 percent higher than what we thought were -- we were going to get and that's primarily due to development being higher and faster than our projections. We are going to go department by department. The fire department ended the year at 43 percent higher in revenues and they spent 16.2 percent of their operate -- or the capital requests that will be expanded pretty quickly with Station 7 and 8, the bids coming in, so all this money should be expended -- not by this fiscal year, but some combination of this fiscal year and the following fiscal year. So, we will expand all these dollars available on those two fire stations, because we are a save before you spend.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: So, that was my question is -- I don't know if you know this, because you are not the fire department director, but are we seeing cost increases on our bids such that it's going to eat up all of the additional impact? I mean some of -- some of the Fire Station 8 is being funded by the General Fund. So, is this going to --

Simison: March 21st. Bids are opened on March 21st. So, we will know then.

Perreault: I'm sorry?

Simison: March 21st is when the bids are open, so we will know --

Perreault: Oh. Okay. So, we don't know yet. Okay. So, we don't have an idea if we should anticipate that this is actually going to benefit us. Okay. Thank you.

Lavoie: Fair -- fair question. We should know by the end of this month where we stand. Let's see. So, that is the fire department. The next department we are going to report on is the Parks Department. Parks Department ended at 11.5 percent higher in revenues and they spent 58 percent of their budget. Again, that's mostly for Discovery Park. All these funds are carried into the next fiscal year, because we do save before we spend, so we always just carry these monies. When we have enough monies, then, the department is allowed to expend the monies on said project following the impact fee study. And the police department ended at 22 percent higher for revenues in spending 67 percent of their budget. Again, those are the precinct projects for them. So, overall what you see is we spent that we had 20 percent more in revenues. We spent 35 percent of our expenditures. Again, these are all great signs on our financials. At some point in time, probably in '22 and '23 the expenses will be much higher, which is what we want to see, because we are saving before we spend and that's how we manage this particular budget. At the end of the day these -- this is what we did for the impact fees. We

increased our fund balance by 5.7 million, which we will expand over the next two years for stations, precincts, and Discovery Park. So, the plan is working. The plan is being managed. We are collecting the revenues that we projected and, then, we will expand the revenues according to the impact fee study that we currently are following and, then, this calendar year we are conducting an opening of the impact fee study. So, we will be standing back in front of you most likely in August to give you the results of that study and, then, we will work that plan. So, any questions on impact fees?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Todd, recognize that the increase in impact fees is because of the increase in growth and so is there concern or should the Council have concern about the -- I don't know if it's the longevity or the predictability, I guess, of impact fees. I know that departments often use that to kind of project some of their capital projects and, you know, it's -- it's great to see increased revenue in the impact fees, but I guess part of me worries like that -- there is a point in time when Meridian is going to be built out and there is a point in time where we won't be able to rely on those impact fees and so making decisions today or talking about plans for ten years from now without having that predictability -- I guess is there any concern from the Finance Department about how we are looking at impact fees or how we are using that information to plan for future stations or assets for the city that are -- that are impact fee eligible?

Lavoie: Fair question, Luke, and I -- I agree with you at some point in time we are going to slow down in growth and assessment based revenue -- impact the base revenue won't be the approach that we will go. We will follow 99 percent of all the other municipalities in America. We will be debt based. When we need something we borrow and we pay for it through that direction. We are still in a high growth opportunity, so we have the ability to collect revenues at a timely basis where we can expand it within the ten years, because if you only sold two permits a year for the next ten years you would have to refund the money, because state statute says you have to refund it in eight years. You would never collect that. Based on our current numbers we see us still growing to almost, what, 200,000 people by 2050. So, is their growth? The growth is still here. I agree with you at some point in time when we analyze the growth data on an annual basis, when that number gets to the point where we don't think the return on investment is there, because we cannot expend fast enough following state code, then, I agree with you, Luke, then we stop doing impact fees, we stop doing assessment fees, because, then, you have to follow the -- 99 percent of the other American municipalities, you go debt based, because you don't have the growth, you are more just a -- let's maintain and we will get that -- I don't see that for quite a while. In fact, I think it's -- well, with 200,000 people that they might be projected for 2050. So, I think we have a lot of growth still headed for the City of Meridian to continue to manage impact fees and to still allow the city to follow the state statute that allows us to have growth pay for itself. I still think it's a sound approach for the City of Meridian and a revenue source to relieve the property taxpayers.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Please forgive this simple and perhaps ignorant question, but how do you go into a negative on impact fees? How does that work? Because I assume you can only spend what's in there. So, is that -- is the assumption that there is additional impact fees coming in the following fiscal year?

Lavoie: No. Fair question. So, this is a 12 month look at only. So, that means we save before we spend, so we have collected, collected, collected, collected. Now on a 12 month basis we only collected X amount of revenue, but we expanded a lot, because we had all this savings money. So, we are spending our fund balance that we have been saving for over time. So, this last 12 month window we expended more than we collected in revenue, which is fine, because it's a save before you spend. You will see this next year in the fire department. You may only collect 1.9 million in revenues, but one station is going to be more than 1.9 million dollars in that one small window. Yeah.

Perreault: You are not showing the entire -- this is not a reflection of the entire impact fee fund for the police department, it's just a 12 month revenue.

Lavoie: You are correct.

Perreault: It's the expenditures. Okay.

Lavoie: Yeah. Sorry about that, Jessica. This is a 12 month window only. Yes. Any other questions for impact? Yep. Again, appreciate the questions. Again, as a recap of what we have done today, showed you the actual results for fiscal '21. Again, the City of Meridian is very healthy financially. So, kudos to you guys. Kudos to the team for getting us to where we are at. I presented the changes to your fund balance and, then, the impact fees. The next quarterly update from me -- it's going to be mostly demographics. Kind of answer what Luke's talked about. What does the growth look like? What do the numbers look like? What are we using to present to you the fiscal '23 budget? What are the assumptions we are going to use to present to you the -- as the fiscal '23 budget and also our five and ten year forecast. So, that's what you will see from me next from a quarterly update and that's what I have from a presentation and happy to answer any other questions.

Simison: Council, any last questions for Mr. Lavoie?

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Just to comment. Todd, you thanked us for, you know, all of the good work that gets us a clean report. I -- audit report. I want to say thank you to you and your staff for

an exceptionally clean audit report. I mean this is the stuff that if cities don't pay attention they can get into trouble and we have a team with you and your folks -- just do a great job and -- and keep us well informed and going in the right direction and make sure that there is no questions or issues and just like procurement where we did the proclamation, they make sure that we are following the law, there is no questions, there is transparency, so I really appreciate that and I don't know if the citizens really realize the -- the great team and the work that you guys do, but we do, so on behalf of the citizens thank you for what you guys do. Appreciate it.

Lavoie: Appreciate the good word, Brad. Again, it's -- we take a lot of pride. It's our honor to deliver a clean audit report. In 2016 when you appointed me to this position that was my job and, again, the team is the one that does all the work. You know, I kind of get to stand here and take some of the credit or take -- not the credit, but it's your city, your employees, all the employees are part of this approach. There is no way that the 25 of us in Clerks and Finance can make this happen. It takes everyone to follow the request and as Keith mentioned earlier, sometimes we are the bad guys, we have to kind of say no. But, again, we appreciate -- we take a lot of honor and pride in delivering you and your -- and the citizens a clean audit report and, hopefully, we will do it again this year. Again, thank you, Brad.

Simison: Thank you, Todd.

Lavoie: Sure. Thank you.

18. Parks and Recreation Department: Lakeview Golf Course Capital Projects Bid Results Discussion

Simison: Our last item is 18, Parks and Recreation Department Lakeview Golf Course capital projects bid results discussion. I will turn this over to Mr. Barton, who can fly us through this.

Barton: I will do my best. Thank you, Mr. Mayor and Council. As you remember, last summer we worked with the National Golf Foundation to do a strategic plan for Lakeview Golf Course. Part of that strategic plan was to come up with, you know, identify the needed capital improvements and come up with a capital improvement plan, which they did. They -- they broke that up into start-up costs and, then, three different tiers. Tier one, two, and three. Tier three is maybe way, way, way out in the future. You know, major modifications to the course. Not just capital improvement type projects. So, we took that and then -- and together with some knowledge that we have after operating in the course for a year and a half, we had a set of construction documents prepared for the irrigation system replacement, which is a pump station, irrigation system replacement and, then, also at the same time what we did is we -- we overlaid a cart path plan onto that irrigation plan. So, we could put that out to bid, we could get kind of a -- bring back a menu of items for consideration and we are here today to talk about that. But just for -- just kind of a really brief update, the start-up costs that were identified by the National Golf Foundation were mainly equipment and some safety mitigation. The safety -- some of the safety stuff

has been done by the in-house crew out there, just out of the operating account. The equipment has been purchased, along with a new set of golf carts and, then, even -- and tier one kind of said purchase the remainder of the equipment. So, we have purchased all of the equipment and the golf carts and we have been making good progress on mitigating some of those hazards that have popped up over the -- over time. So, now we are -- now we are down into the meat of the capital improvements. We -- it took those construction documents -- we contacted five certified golf course builders that we know can do the job. We talked to them ahead of time, said, hey, this project is coming, you know, what do we need to do to get it fit into your schedule? We wanted to get as many bids as we could. We put the project out to bid formally. We left it out for six weeks and at the end of the day we got -- we got one bid and after talking to the other four providers that declined to bid on it, they said just -- you know, they just don't have the help to take on anymore work. We gave them -- we gave them 300 days to -- to start and finish the job. So, we were thinking, hey, this could fit into somebody's schedule if they -- if they needed to start in November or maybe next spring it would be a good fit. So, even that didn't really produce any results. But we do have a -- we did have one bid. We feel it's a good bid, because it's actually a little bit less than an opinion of cost from our consultant that drew the plans. That opinion of cost was given to us in the middle of December, so we know that -- and we didn't open the bid until a week and a half ago. So, we know there has been a little bit of cost escalation in between times, so based on the -- based on the bidder, the reputation they have, they just finished a project for the city of Idaho Falls, they come highly recommended. We have -- we have a -- we have a qualified contractor that can do the job that's in line with the opinion of cost. So, with that we have brought forward three different options and they -- there is -- without going through the entire list and reading that, hopefully, you have had a time -- time to look at it and I will be happy to answer any questions you have, but option one is our preferred option and that is the irrigation system replacement, along with a pump station. It's also for cart paths and this option, if you choose to move forward with this, exceeds our current budget of 2.69 million. This option would require an advancement of our -- our -- the funds that we have kind of set aside in the -- in the CFP for FY-23 we would propose to bring back a budget amendment to advance the -- to use our existing budget and, then, also advance that FY-23 money, so we could do this project all at one time. We think there is some real benefits to working it that way. In that, you know, the contractor has indicated that they could start in June and do the project this summer. So, it's disrupting -- it's disruptive to the course. We want to -- we want to minimize that disruption the best we can and we think that doing it all at one time is -- is going to just -- you know, rip the band aid off, get it done, disrupt the course, get the work done. The other thing is if we do that we will save additional mobilization charges should we kind of, you know, do part of it this year and maybe part of it next year. You know, we don't know -- obviously, we are going to pay the mobilization charge again and, then, in addition to that we think in this environment that there is going to be additional cost escalation. So, our recommendation is for option one, which is the entire irrigation system replacement, pump station and cart paths and, then, there is those list of allowances for Idaho Power and construction administration and -- yeah. So, with that I will stand for any questions you have.

Simison: And, Mike, if I could just add to that from -- at least for me, in the way I got it

into my head from the standpoint is we add the money that we have been budgeted, we have the money from WARD, we have already received and allocated half towards this and, then, we have what's in the CFP for next year. Basically where -- we are taking all the money that we have either already allocated, received, or planned to use for next year to move this project forward in the summer at this time. There is still one more piece to this that was not included at this time. We just put the well -- which was mentioned. We are hopeful -- maybe we don't -- we have savings from the contingency or the pool costs aren't as much and that we can use some of those funds to put this project in. But that doesn't mean it wasn't big with this element, so it is separate and we can bring that back forward at the appropriate time. So, that's really why this was brought forward in this fashion was all the funds for this are identified, existing, or planned. It's just whether or not we are ready to pull the trigger and do it this year or if you say, no, the cost -- but I think the -- getting it done now allows us to get the course ready and the following year we will have a good idea about what the actual costs and playability and what the future of the course looks like, instead of having two years of a disrupted and partial play, which prolonged some of these long-term financial knowledge about the course.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: One of the things I like about option one, Mike, is the fact that it includes the concrete cart paths. I mean irrigation -- we know it's a need, it has to be fixed, and there is value to that and you kind of see, oh, hey, it's looking better than it did when -- once it's fixed. But cart path is immediate. People see, hey, they have put money into this. They are improving it, you know, as opposed to irrigation, you really don't see it, it's expensive, But I like the fact that we are also doing something that's visible to the public.

Barton: Mr. Mayor, Councilman Hoaglund, that's a great -- great point. One of the things that -- in our conversations with the National Golf Foundation, they said you just bought a new fleet of golf carts and they are riding through potholes. You are going to -- you are going to beat them up, so -- just -- just to be clear, these cart paths are along the tees and at the greens. So, then, once you get on the fairway it's relatively smooth. It's where the existing gravel is right now. So, yeah, it would be -- it would be an aesthetic improvement for sure and also easier on our equipment.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. Two quick questions. Is that 298,000 for fiscal year '23, is that the entire budget that's for the next fiscal year or are there additional funds in that? And, then, also is this delaying any other scheduled maintenance or improvements that would have been done in '23? Are we kind of exchanging this for something else that was planned? And, then, is -- can we assume that the course is going to be shut down for a period of time?

Barton: So, that -- yeah. The 2.98 million is the -- the amount that we have in the CFP for -- CFP for '23. There isn't anything beyond that. But what we would propose is that we would -- as -- there are some needs -- some patio improvements, maybe a new roof, depending on the outcome of the well, if we can save contingency and there is a little -- there is a difference between the amount needed and the CFP amount. We are hoping that we can apply that to the well and -- but what we would propose to do is run those other improvements through the budget process, put those in the CFP so we can balance that -- those needs with the other needs that everybody else has and, then, as far as the course disruption, really -- really what the irrigation crew does is they work on two holes at a time. The cart path crew works on nine holes at a time. But only -- so, they can still -- you can still keep the course -- the nine holes that are getting the cart paths can remain open. Irrigation crew is two holes at a time. So, depending on the outcome of this conversation, then, we would -- we would come back. We need to make our pass holders whole, because they bought season passes based on a year around availability or pending whether, but there -- there may be some pro-ration of -- depending on the level of disruption, but we would -- those are future conversations.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. I like option one. I don't want to muddy the waters too much, but golf course improvements was a potential source of the funding. I just wanted to mention that. I don't know if that really affects the feedback that you are getting at this point, because we haven't discussed our ARPA funding, but just wanted to throw that out there, that that was an option. Not necessarily one that I'm advocating for, but I like option one and that isn't something we could evaluate.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: What was the recommendation of the golf course focus group? What was their -- what was their preference?

Barton: We haven't specifically talked about bid results with the focus group to get -- to convene that group, just as a -- their -- their role is a little bit -- it's not a -- they don't advise the Council necessarily. They are a citizen's group that is a sounding board that we really appreciate their help and input. I could say that if -- if we asked them would you rather have it done and -- and I have talked to a couple of members, just had side conversations with them, and they are -- they are like it is what it is. Get it done as fast as you can.

Bernt: Mr. Mayor, I realize that there is --

Simison: Councilman Bernt.

Bernt: -- they -- they don't advise us, but they are all passionate golfers. So, that's the reason for my question.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I am in favor of option one as well.

Simison: Okay. Well, this will have to come back as a budget amendment. We -- I think we have at least got the general direction for conversation. If there is some other conversations we need -- that you would like to have -- you know, I think talking to the golf course focus group has value in terms of some of the things that we may be talked about, costs, play expectations, some of those type of elements. At the end of the day, while this is a financial decision in terms of what -- you know, the best interest long term, is it -- is it cheaper to do it once or twice. I think that -- that was the basic question and, then, once we make that decision we figure out how the best way to approach the play at the course during that time period.

Barton: Okay. So, next step for me -- two weeks from now I will be back in front of you with a budget amendment for 2.98, along with a contract for Heritage Links and that goes -- pending the outcome of those we will have Heritage Links at Lakeview Golf Course sometime in June. Thank you.

Simison: Thank you, Mike. Council, do I have a motion?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move adjournment of the work session.

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

MOTION CARRIED: FIVE AYES. ONE ABSENT.

MEETING ADJOURNED AT 5:48 P.M.
(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

ATTEST:

DATE APPROVED

CHRIS JOHNSON - CITY CLERK