

Meridian City Council Work Session

April 12, 2022.

A Meeting of the Meridian City Council was called to order at 4:33 p.m., Tuesday, April 12, 2022, by Mayor Robert Simison.

Members Present: Robert Simison, Joe Borton, Luke Cavener, Jessica Perreault, Brad Hoaglund and Liz Strader.

Members Absent: Treg Bernt.

Also present: Chris Johnson, Bill Nary, Caleb Hood, Warren Stewart, Todd Lavoie, Berle Stokes, Kris Blume and Dean Willis.

ROLL-CALL ATTENDANCE

☒ Liz Strader	☒ Joe Borton
☒ Brad Hoaglund	☐ Treg Bernt
☒ Jessica Perreault	☒ Luke Cavener
☒ Mayor Robert E. Simison	

Simison: Council, we will call the meeting to order. For the record it is April 12th, 2022, at 4:33 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item is adoption of the agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move adoption of the agenda as published.

Borton: Second.

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

MOTION CARRIED: FIVE AYES. ONE ABSENT.

CONSENT AGENDA [Action Item]

- 1. Adventure Church Addition Water Main Easement**
- 2. Oaks North No. 11 Sanitary Sewer and Water Main Easement A**

- 3. Final Plat for Oakwind Estates No. 2 (FP-2022-0006) by Kimley Horn, Located at 6180 W. McMillan Rd.**
- 4. Final Plat for Woodcrest Townhomes (FP-2022-0010) by Blaine A. Womer Civil Engineering, Located at 1789 N. Hickory Dr.**
- 5. Conduit License Agreement Between the City of Meridian and Fatbeam, LLC for Conduit Sharing**
- 6. Memorandum of Agreement for the Civic Block Development Proposal Between the City of Meridian, the Meridian Development Corporation, and Meridian Caddis, LLC**

Simison: Next item 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.

Borton: Second.

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

MOTION CARRIED: FIVE AYES. ONE ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: No items were removed from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

7. Parks and Recreation Commission Annual Update

Simison: So, we will go into Department/Commission Reports. So, first item up is Item 7, which is the public -- is the Parks and Recreation Commission annual update. We will turn this over to Commissioner Greer to provide that update to us. Hi, Jo, how are you?

Greer: How are you doing?

Simison: Good.

Greer: I am good. Good afternoon, Mr. Mayor, Council Members. I'm Jo Greer for those of you who don't know me. I am currently the Parks and Recreation Commission president for another term. I'm pleased to be here before you to give a brief Parks and Recreation Commission annual update for 2021. As of right now we have a full commission with nine members, including our youth commissioner. They -- all their skill sets and backgrounds encompass a broad range. We have different family backgrounds as far as who we have at home. Some people have small children. Some people have no children. Some people have grown children. Some people have -- for children. We also have several business owners, coaches, landscape architects, several designers, project managers, graphic designers, race car driver, and recently we just brought on a couple of commissioners that are -- one is part of the recreational sports teams and the other one is a veteran and also a pickleball player, so -- yeah. So, I feel pretty good about the commission right now and we had several interviews for the Mayor to come to the selection. In July we had our first ever Meridian Parks and Recreation facilities tour on foot where we walked around Kleiner Park. For those of you that were there it was very entertaining, especially the rap session by Renee. I think that should be required every year. And we were also able to kind of play around on some of the Meridian Parks and Recreation equipment. That's my highlight. I'm going to be really brief, because I was asked to be as well. I just brought out the top four all commission goals to kind of go over how we have been following these. The first one is to support the development of a connected pathway system. So, the Ten Mile trail hub last year was our first ever -- our first pathway tour where we started at our first ever trailhead and gateway to the pathway system. I was able myself to ride my bicycle from home all the way to the Five Mile crossing -- Five Mile Creek crossing over on Pine. For me that was about 12 hours -- or 12 miles round trip. There were quite a few commissioners that rode from home as well. So, there is connection. You know, some of the connections are sidewalks, but it worked and no one was injured. Also the Fairview Avenue connection -- connection was finally completed, which is in front of the Ultra Touch Car Wash. Well, was the Ultra Touch Car Wash. I believe it's closed now. That one took a little bit more time, but it was welcome as Fairview is kind of a dangerous street to be riding your bicycle. Then we had Kim Warren, who held a commission workshop to review gaps in the pathway system, so she allowed all of the commissioners to give comment on where we felt like there were gaps or information that could be improved. Some of the comments led to the striping of the pathway, so now we have yellow striping to help with wayfinding and also to identify it as a pathway. Our second goal is to support the design and construction of Discovery Park phase two. The bid was opened in November. Construction is underway. We have Mike Barton. Thank you, Mike, for having the park moving forward. And he said currently they have broken ground and they are doing the grading and utilities. So, the Commission, of course, continues to support the construction of Discovery Park. The third item is to participate in the design and programming of the new community center on the civic block, which, of course, that location has changed, so the commission supports a new community center and we all look forward to that coming into fruition. We also had -- Steve Siddoway had presented a community center master plan, what the community needs, and so we gave feedback on that information and, then, actually, was able to serve on the civic block review committee as representative for Parks and Rec Commission, because there was a community center in some of the proposals. Also the commission

participated in one-on-one interviews about the master plan update and the community center feasibility study with Art Thatcher of GreenPlay, which is now very done. So, I felt like last year a lot of information was requested from the commission, a lot of one-on-one, which moves into the next one, which is number four, to participate in the development of the Lakeview Golf Course master plan. I, of course, was excited about the golf course. I like to golf. So, beginning early in the year consultants from the National Golf Foundation began gathering information. They held individual interviews with the different commissioners to get our -- to get our feedback and, then, we also attended a Lakeview facilities golf tour where we rode around in golf carts to see the facility and we had the city arborist explain some of the issues with the trees. I'm going to stop right there. I could go on and on, but -- only because I love parks and rec. Do you guys have any questions?

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

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Jo, it was nice to see you. Thanks for the presentation. You know, we -- we engage with our commissioners on a regular basis. This is that formal time where the commission comes before the Council and I'm just curious what feedback do you have for the -- the Council? How can we do -- as a body do a better job of supporting you and your fellow commissioners in your work and your interests?

Greer: You know, as our liaison -- I do know this -- usually we just like to have feedback as far as if something was moved forward or not based on -- if our recommendations were -- I guess worthy of approval. That's a good way of putting it. Because, you know, we -- we are asked for our recommendations or our input, but we don't always know what comes back, unless we go and look for it, so that's probably the only thing really.

Cavener: That's very helpful.

Greer: Uh-huh. Yeah. Anyone else?

Simison: Anything else?

Greer: Thank you, guys.

- 8. Public Works: Fiscal Year 2022 Budget Amendment in the Amount of \$275,650.00 for Well 34 (Test Well) Additional Construction Funds**
- 9. Approve Bid and Award Contract to Treasure Valley Drilling, LLC for Test Well 34 for the Not-to-Exceed Amount of \$648,050.00**

Simison: Thank you, Jo. So, the next four items are going to be the Warren Stewart show, but we will just go ahead and move on to Items 8 and 9. We will let you go ahead and present both of those items together for consideration by the Council and discussion.

Stewart: Well, thank you, Mayor, Members of the Council. So, the first item of the Public Works show -- I won't say the Warren Stewart show. The Public Works show is a budget amendment in the amount of 275,650. This is for the contract to do the test well for the most recent well that we need to -- to do. The budget for this was basically developed a little over a year ago and in the last year things have changed pretty dramatically and the costs have just gone up, so when it was bid out the low bidder came in quite a bit higher than we had anticipated and if we are to award the contract and get this well under construction we will need this additional money represented by this amendment to do so. With that I will answer any questions that you may have.

Simison: Warren, off the top of your head do you know what percentage this came in over anticipation?

Stewart: I don't know the percentage off the top of my head. So, we had -- I want to say it's -- in the budget amendment piece, but I think -- you know, we had 600 -- I think we were a couple hundred thousand, obviously, over, but there is some contingencies and so forth in there. So, I think the original bid was in the six or seven hundred thousand dollar range. I got it right here. I can tell you.

Simison: Yeah. I only bring this up -- you know, I was on a COMPASS call earlier today, same exact conversation for ITD road projects, which were coming in over -- over bid, so I -- I hate to be the bearer of bad news, but I think any construction project that we have on the horizon for the city and Public Works -- just being prepared for anything over last year's estimates this will probably be the standard moving forward for the foreseeable future.

Stewart: Yeah. We have -- we have -- I can let you know that in some cases the increases for certain types of construction, certain materials have gone up 30 to 40 percent. So, substantially higher. Now, that's not across the board. Some things are up ten to 15 percent. But some of the things that we are running into, the costs are literally 30, 40 percent higher than they were a few months ago.

Simison: And just to add in one more thing, I have had some off-line conversations separated, but with ESI and from their perspective they see that we are -- as a valley we are going to have about two to three thousand more construction jobs needed the next three years to meet the expected projects which are coming online, which are separate from everything else that's currently taking place. The Meta project, possible Micron and St. Luke's work and so if we think we want to pull back we are probably pulling back for several years, not for one year, two years, depending upon if it's labor versus materials. There may be some give and take to your point, but from a labor standpoint, depending on how much of these things are labor, they don't see that going backwards in the construction industry.

Stewart: Yeah. I could maybe also share a couple of anecdotal pieces related to this. One is that there is not a lot of well drillers in the valley that have the expertise to drill the types of wells that we are drilling and so if we happen to have one of them busy on another project for another city, why, you know, they are not competing super stringently on these wells, because there is just not that many out there. So, that could play into it to some degree. We are also looking, just so you know, at ways that -- in the future -- especially when it comes to these test wells -- we might be able to structure them a little differently to see if we can't save some cost because of the way things have risen.

Simison: With that, Council, any questions?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Do we need a motion, since it says a budget amendment? I move that we approve the Public Works fiscal year 2022 budget amendment in the amount of 275,650 dollars for Well 34 additional construction funds.

Cavener: Second.

Simison: I have a motion and a second to approve the budget amendment. Is there any discussion on the motion? Ask the Clerk to call the roll.

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

Simison: All ayes. Motion carries.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Simison: Next item is Item 9.

Stewart: I got to make sure. Yeah. Item 9 is just, essentially, the award of the bid for this contract and I will stand for questions.

Simison: Council, any questions or a motion?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I move that we approve the bid and award of contract to Treasure Valley Drilling, LLC, for Test Well 34 for the not to exceed amount of 648,050 dollars.

Cavener: Second.

Simison: I have a motion and a second to approve the bid for Treasure Valley Drilling, LLC. Is there any discussion? If not, all those in favor signify by saying aye. Opposed nay? The ayes have it and the award to contractor is agreed to. Thank you, Warren.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

10. Public Works: Request from Janice Larrea for Connection to the City Water System Outside City Limits at 100 E Rosalyn Dr.

Simison: Moving on. Are you going to continue to be the presenter for the next two? Okay. Then we will move on to Item No. 10, which is Public Works request for Janice Larrea for connection to city water system outside city limits at 100 East Rosalyn Drive. Mr. Stewart.

Stewart: So, we do occasionally in the City of Meridian have requests for people to -- or to use the city services, sewer and water services, without annexation into the City of Meridian and they come in two basic classes. One class is the homeowner who has had a well or a septic system that has gone bad and they are in need to replace their well or septic and we may have sewer, water readily available for them and so they make the request to use the city's water or sewer. They are not always eligible for annexation, but we have the water and sewer there. The second class that we run into that we will actually see one of in a few minutes is when there is brand new development that wants to take place, but they are also not eligible for annexation, but they want city services. This is in the former class. The only exception to that is that this one actually is eligible for annexation. They are contiguous with the city limits. However, it's a larger piece of residential property that has undeveloped pasture ground associated with it that will at some point develop. The sewer that would serve this property is on the other piece -- or on the other side of that pasture, so sewer service would have to come across the pasture in a fashion that would not -- that ultimately it would not be in. Water is right in front of the home. It's there. It's available. We would really rather not see a well -- a new well put in when we have that service. So, from a Public Works perspective we like the -- the connection to city water, because it basically helps protect our water source from a potential source of contamination being another residential well. The real caveat here -- the real thing to consider is do we annex it or do we not require annexation and that's really a question for the City Council, but Public Works' recommendation -- we had to kind of give you our best shot at what we felt and because this property has development potential, it's got the pasture, it's got -- it can't -- or it can't connect to sewer right away without cutting across this pasture, we felt like maybe annexation would be better once they came in and wanted to develop the balance of that property and they knew what they wanted to do and they knew what the sewer configuration was going to look like. So, we, essentially, brought this before you today to -- for your consideration to let them connect up to city water. Our I guess recommendation -- but that's a pretty strong word -- is that maybe they not have to annex until later, but I think there are some issues and concerns that Bill may want to address with you about whether or not that's the best approach, but certainly we think that connection to water is appropriate, because they are there, it's right

there in front of their house and it would eliminate a well and get, essentially, a residential well abandoned and that's better for our aquifer. With that I will stand for any questions.

Simison: Thank you. Council, any questions?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: You just made a request for a connection to water service and not a sewer service; correct?

Stewart: That is correct.

Perreault: What -- if they were annexed would they be required to connect to sewer service in a certain amount of time and that would be cost to the property owner or is that maybe a question for planning to respond to?

Stewart: I think I can -- I can make an attempt and Caleb can correct me if I'm wrong, but I think you can structure that how you would like. I think if you wanted them to annex you out you -- you wouldn't necessarily have to require them to connect to sewer, although generally speaking we would want them to do that. In this case they could, but they would have to run a service line for 300 feet across the pasture. Ultimately that would have to be torn out when they -- that was redeveloped and something else would have to be done there. So, it can be done either way, but that's -- that's kind of what they are facing.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Perreault: Thanks, Warren. How many times have we done this that you can think of where an individual homeowner made just a water connection and not annexed? Maybe a question for Bill as well? Just kind of in your memory.

Stewart: I think we get one or two of these a year, to be honest.

Nary: Yeah. Mr. Mayor -- Mr. Mayor, Members of the Council, so, yeah, I think Warren's right, we do probably two or three a year, usually, that scenario that Warren's talking about. Sometimes what happens is the roadway gets widened or improved and that, then, takes out their existing well or takes out their septic system, so, then, they don't have any other way to connect. We have always mandated that they annex as a condition if they are annexable. If they are not annexable we have them sign an agreement that requires them to annex when they are. It would be unusual to not require annexation at this point. It would be okay -- if you recall we did a large-scale house on Locust Grove recently that took over two lots and they were going to hook up to water now, because it was available in front of the house, but sewer was about 150 feet away. So, we allowed

them to annex and have water service and, then, they have a commitment to hook up to sewer when it's available. So, it does make sense from what Warren's saying to let the sewer evolve with the development of the property or at least at a sale than it would be for it to do it now. So, that wouldn't be unusual. Again, our ordinance does require they are supposed to annex if they are annexable. Again, if you want to -- we have occasionally done -- not very often -- we have allowed the service to get hooked up now while the annexation process was ongoing, so that way if they get out of water, they don't have any services, they could get that hooked up a lot faster than the four months it takes to do the annexation. But that's your folks call.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: On that point they are generally annexed R-2, kind of a holding annexation?

Nary: Yeah. We would have to look at whatever the comp plan says or whatever that is in this area. I don't know what the comp plan calls for this particular property. So, we would just match it up with that.

Borton: Okay.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Warren, can you give us some idea of the urgency of this? Is this something that is a dire situation, they are going to be out of water in a couple of months, or is it just like very poor flow and no pressure and that kind of thing, as far as the timing of whether we request an annexation or allow connection beforehand?

Stewart: I will do that. We have the applicant here, so I think they can come and -- and speak to that, but I know that they were very concerned, because they were having really low amount of flow out of their well. I do believe I got an e-mail either Friday or yesterday saying that it got worse and that they -- things weren't working at all, so -- but I will let you -- I will let them address that. But I think it's getting pretty serious at this point.

Simison: Janice, would you like to come forward and at least answer the questions as they come up.

Larrea: I'm Janice Larrea. We have lived in our house for 47 years. We are original. The only owner. My well is 40 feet deep. The last three years, I think because of the drought and growth in this area, my 40 foot well is marginal and I had a little water -- I had a little water yesterday and now I don't. I turn the pump off to hope it builds up. Usually the irrigation water is in the canal by now. I live by the canal. And it fills it up. But this year water's not coming until the 24th. I only need the water for domestic house and

stock. I irrigate out of the ditch. In fact, I'm the ditch master. So, it would -- it wouldn't be irrigating my lawn or sprinkler system or anything. As far as annexing, I don't know what, you know, difference it would make. We are not moving. We are -- we are there forever. My kids might do whatever they want with it, but we are not moving, so it's going to maintain the same as long as we are there. And I don't know. I -- I like water. It's really nice to kind of flush the toilet. Anyway. So, I -- there is three fire hydrants on my 600 foot of Rosalyn Court. So, you have been there if I can -- I have got an arrangement with a man that works for the Public Works to soon -- you know, start as soon as I can get permission. As far as annexing, I -- I could get a library card and I could vote for you guys and that's probably what we would do, so -- but we don't anticipate any changes in our property or use of it. Any questions?

Simison: Well, first, you can get a library -- you can get a library card even before, because it's not our services, so --

Larrea: Really?

Simison: Yes.

Larrea: It said City of Meridian I couldn't have a library card.

Simison: No, it's not from -- with the city. So, we can -- we can help you work around that.

Larrea: Okay. But -- and I can vote for you; right?

Simison: Council, any questions?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: As you were kind of going through this process -- again I don't know if you had conversations with the planning staff, if there would be a use on your land that wouldn't be allowed if you annexed in.

Larrea: I don't know. Nobody's told me that. Is there? Oh. We have been there for 47 years and we have had -- we had our trucks and stuff parked there 47 years and they are still there.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Mr. Mayor, just to follow up on that, I -- I think -- and Caleb might have to jump into this, but what you mentioned, Janice, stock, you have cows --

Larrea: We have cows in the summertime, yeah.

Hoaglund: Okay.

Larrea: Our pasture is about two and a half acres and, you know, I worry about keeping the stock tank full.

Hoaglund: Right. So, I -- I think there are some -- once annexed there are limitations on the type of animals and how many of things and whatnot.

Simison: Mr. Hood.

Hoaglund: So, it could be a non-conforming use, but I will let you speak to that, Caleb, if you wouldn't mind.

Hood: Yeah. Mr. President, Mayor, Members of the Council. So, a couple things I guess just -- we will start there. I haven't done a comprehensive, you know, review of the property. Agriculture use is allowed. I would liken this, though, I think to the annex -- the south Meridian annexation we did and we did vest those properties with whatever, essentially, they were doing at the time and annex them in. I don't see anything egregious on this property. Just looking in the aerial it looks like there is, you know, some -- a trucking type of business and they do have two accesses, Rosalyn and, then, another driveway that goes to the state highway that eventually we would like to see that driveway closed when development happens of the back half of your property or so. So --

Larrea: I did get a state permit for that entryway.

Hood: But the other uses and -- and, you know, there is an outbuilding or two on here. I don't see anything that causes me any concern. But I haven't been out to the site, I haven't done anymore of that analysis. Just a couple of other things that came up real quick. It is on our future land use map low density residential, so an R-2, potentially an R-4, but probably an R-2 zone is what we would annex it with, either now or when development occurs -- redevelopment occurs on the property, so -- maybe just one more. I mean Warren covered it I think pretty well. It does vary. Typically it's 60 days to hook up a home post annexation, an existing home that comes in. We usually give them a couple of months hook up. I have seen six months to a year, though, in certain cases. Mr. Nary had another example there, too, of allowing special cases to hook up to both sewer and water. But it's pretty typical that immediately -- you know, we do allow some -- some amount of time to happen and certainly if annexation's required we could run that concurrently and the paperwork be processed while working with Public Works to -- to hook up the property, so --

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Caleb, so if we were to annex and the property were to be developed in the future, do we forfeit some of -- of our -- what's the word -- influence in how it develops, because we have already annexed it and now we can no longer potentially, you know, make particular requests of the applicant.

Hood: Council Woman Perreault, it's a good question. In this case, again, I'm not overly concerned about it, because I think our standard subdivision code covers pretty much everything. Access. Landscape buffers. You know, redevelopment. Density. All those things would be covered somewhere else. Now, there could be a special thing that you wanted them to do that, yes, you would lose that opportunity to negotiate or require that with the development agreement, because the development agreement would already exist. In this case, though, to me it's pretty straightforward. You are going to see single family homes on here. Public street Rosalyn already exists, but, yes, to your question or point a little -- but you do lose a little bit of your ability to negotiate with the property owner or developer or whoever wants to increase the intensity on the site. But, again, I don't see anything outstanding where I'm really concerned that we couldn't get it through our -- just our standard code requirements.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Just a thought, I guess, too, for Caleb, and maybe it's -- it's kind of where I'm -- I'm leaning. Typically with -- with annexation we require, you know, curb cut, gutters, sidewalks, et cetera. It's on a state highway. Would -- I -- I'm also, though, reluctant to -- to not require that, but I also -- I'm reluctant to require that and so maybe if -- if Council did want to pursue annexation, what path would we have to -- to not put that immediate burden on -- to put a sidewalk in when you are just trying to connect to some water?

Hood: So, Councilman Cavener, Mayor, Members of Council, I envision that if an annexation application is required staff would do that analysis and require it, but you have that ability, then, through the development agreement to waive that standard requirement. We would put pretty standard requirements in the development agreement and, again, you get -- you can decide if it's applicable at this time or in the future, because if you waive it let's say in three or four months when an application is before you, when the subdivision come in -- comes in we also have that requirement at that time to put in curb, gutter, sidewalk, a multi-use pathway. So, it really is more about timing at that point.

Larrea: Are you saying I would have to put in sewer -- I mean sidewalks and gutters on all of my property?

Cavener: Councilman Cavener.

Larrea: That's 300 feet on Meridian-Kuna Highway and 600 on Rosalyn.

Cavener: Correct. And I think that's -- so, anytime an annexation comes within our city we require that and what I -- what I was asking staff was is there a mechanism -- because I don't want to require that from you when you annex in, but when you sell your house or when your family redevelops it I would want that there. I think that's important to our community and so what I was trying to establish if there is a way that we can have you annex within the city so you get access to our services, like our water, our waste water, without requiring the same thing that we would require of anybody else should they come in and so I think staff has said that if -- if an annexation application were to come before us we, as Council, could have the authority to waive that requirement at that particular time, which I would be very much in support of.

Larrea: Okay.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I don't know which of us should go over this, if it's planning or someone on Council, but could we share -- could -- should we share with -- I -- I'm probably not going to say your name right, it's Larrea?

Larrea: Larrea.

Perreault: It's Larrea. When -- when she is annexed into the city, then, there is an additional element of property taxes that are included and, then, any other services that go along with that. I don't know exactly -- it sounds like maybe she needs to have a conversation with -- with planning staff directly as part of that -- needs to have a consultation with planning staff as far as annexation goes.

Simison: I think that's fair, that the -- because I think it's -- that it's twofold. It's protection for the city for the future versus what the expectations are now, but also -- so, you also understand what that also means.

Larrea: Yeah.

Simison: From -- it -- it's really a taxation standpoint, city taxes, the differences between what you are -- currently with that. Our CFO is here and he -- he could -- he could even -- he doesn't want to talk about that, but -- but that -- those -- I think those are things, just so you understand completely about what the expectations are, either now or in the future, because I think, really, the question is if -- if and when sewer hook up comes the expectation is that's when this property really transforms and would trigger a lot of the normal annexation requirements is what I'm picking up from current Council anyways. If they even want to require the annexation.

Larrea: Well, like I say, we plan on being carried out feet first, so we are not moving, so -- unless something really happens. So, it's going to stay the way it is as long as -- as we are capable. That's all I -- I can -- I can, you know, confirm to you guys.

Simison: So, with that, Mr. Nary, do we need a direction? Because, obviously, it's going to take a process and -- and some work to be done. Do you want a motion from Council on a direction?

Nary: I guess so. Yeah. Mr. Mayor, I -- I guess -- it feels like there is probably still a little conversation to be had with Mrs. Larrea about what impacts that would be. There is a cost to the filing. There is a cost for noticing. There is a cost for all of those things, too, and I know, again, she wants water service, so I think it would be fair, if she's willing. I mean we can certainly have a conversation. I can't tell you what your taxes are going to be. But we can certainly tell you how it works and what happens next and then -- then we can maybe revisit the issue, because she might be standing here asking you to waive the requirement that she had and if that's a consideration of the Council, that's certainly your ability to put in a development agreement that annexation can occur at a later point in time. Like Caleb said normally we do six months to a year, but if the Council's of the mind set -- again, it's a contract, it gets recorded, it is against the property, so a future owner would know that that's going to have to be annexed at a future point in time. Again, likely if they are going to redevelop they are going to annex anyway, because they are going to need more sewer and water services and things like that. But I think I -- I don't know if Council is ready to make a decision, but I don't know if Mrs. Larrea has enough information.

Simison: I think what I would really like to get from Council at least is their -- their viewpoint on the annexation, so that whatever discussions are occurring are appropriate to whatever the Council's viewpoint is. So, that's really the direction I would ask Council is if you are amenable to this and, if so, with or without annexation and, then, let staff go work on that based on that direction.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: To answer that question, yes, I think Warren's recommendation of how to proceed is appropriate. That includes annexation, it would be annexed as an R-2, so that would be what I would be supportive of as a solution to an immediate hookup to water. Sewer being delayed. There is a lot of details that would follow, but that's the general direction that I would be supportive of.

Strader: Mr. Mayor? Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just to follow up directly. So, I -- I agree I would like you to annex into the city. I would be in favor of trying to expedite her water hookup as quickly as possible, so those processes could happen simultaneously. Even if we work something out we can get that water hooked up as soon as possible. I would be in favor of waiving the requirement to hook up to sewer until a later date and, then, also I would be in favor -- in a future request I would most likely be in favor of waiving the requirement to put in like the sidewalk and the curb and all that stuff as well until future development occurred at that property. I don't think it would be fair, since you have lived there so long, to ask that of you. So, that's where I stand.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I agree with Council Member Strader in every aspect, but I would like Mrs. Larrea to have a conversation with the planning staff prior to making a commitment to connect to water, because I want -- I want her to -- that the two -- the connection to water and the annexation would both need to happen, so I -- I think that she should have a clear understanding of what it means to be annexed into the city before we make a commitment to make that water connection. For me I would rather those conversations happen -- maybe it gets back on our agenda in a week or two --

Simison: That's what we are doing.

Perreault: -- and we make our own decision about the annexation.

Simison: Okay. Anything else to add from the two of you, otherwise --

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I agree with what's being said. My one caveat, if you will, is the fact that this is a process, we have talked about annexation being a long path, I mean as a city we provide in our community essential services, water, sewer, police, fire and this is a water hookup and how can we make that essential service available as quickly as possible, while we go through this rest of the other process to make sure that we -- as you live on that property things stay the same and, then, when it's developed it becomes all those other required elements that we typically do in an annexation. So, it's just a matter of when we do that as quickly as possible --

Larrea: We just want to hook up to water.

Simison: That's right. So --

Larrea: And if I can't do it and if I have to jump through too many hoops for the annexation I will drill a well. I have underground water rights.

Simison: And -- and, Ms. Larrea, that's -- that's the whole point of our discussion is making sure to get rid of the -- any hoops, but how can we do that. We have the hoops on our end.

Larrea: Yes.

Simison: We will take care of that. We will probably have a discussion with staff that you have just to make sure you understand the process and, then, figure out a way for us to say once we approve how fast can that happen in terms of having that water connected, because you are in a -- you are in a bad spot, so --

Larrea: Yeah. We don't have water.

Simison: And as you heard before on our budget amendment, I don't think you want to build a well right now. If I was giving you advice --

Larrea: Koontz has always helped me and they were a year out and 20,000. But by the time I get here it's going to be about six or seven, so -- you know. And when the water gets in the canal I might have water. So, cross my fingers.

Simison: All right. Well, I think --

Larrea: Any other questions?

Simison: You have the whole team there that's heard this and they can start working with you.

Larrea: These guys over here?

Simison: Yep. All the people that spoke and in this corner, including the bald guy in the corner.

Larrea: Okay. All right. Thank you.

Simison: Bald by choice.

Stewart: Any follow-up questions for me on that one?

11. Public Works: Request from EPIC Development, LLC for Connection to the City Water and Sewer Systems Outside City Limits at 5317 W. Franklin Rd.

Simison: Next item on the agenda is Item 11, Public Works request for EPIC Development, LLC, for connection to city water and sewer systems outside the city limits.

Stewart: All right. Mr. Mayor, Members of the Council, this one's the other category that I talked about earlier. So, this is a new piece of property. It's a -- I think it's approximately 19 acres. It's undeveloped ground at this point. They want to come in and do a brand new development on this 19 acres. It's actually not annexable. It's not contiguous with the city and in order to facilitate the development that they would like to do they need city services for fire protection and sewer and so forth. So, they came and they asked the question, can we obtain city services without annexation and the first thing -- first place they come is to the Public Works Department to see if we have the ability to serve them with water and sewer. Water is really not an issue. The water can be extended to serve this property and it can be done in a manner that does provide the fire protection that they need. Sewer is a little bit different animal. This -- this property actually lies in the adjacent sewer shed. It was never intended to be served by the sewer line that's in Black Cat Road, but it's a smaller piece of property and it's right on the boundary. So, we actually took a look at it from a feasibility standpoint to see if it was even feasible to serve it out of shed we call it. So, essentially, jumping the fence and going into the other sewer shed and in this case it does appear to be feasible that we can serve it, although it's going to be close and until we see the actual final drawings that show the elevations of the sewer line and so forth it will be hard to -- to tell, because they are going to run -- they are going to run out of grade at some point very close to the edge of their development. But it does look like it's feasible. The rest of the questions you have essentially responses from the other departments, because in this type of process, rather than this just basically comes to Public Works and this is kind of a decision as to whether there is a connection or not like there isn't a single home, this has got much wider implications. So, we send this out to the other departments to get their feedback. You have the feedback from those other departments as part of this. Although I will say it's not the same. It's not like we do an application. It's not an application to the city. This is an application to the -- to the county. So, that analysis is really done at the county, we are just simply saying -- doing kind of a real abbreviated analysis to determine whether or not it might make sense to allow city services to connect up. So, I'm not going to make a recommendation on this one. It is feasible for us to provide water and sewer to this property, but I think in the big picture we are not necessarily certainly -- from a Public Works perspective saying that it makes the most sense in the world to -- to allow this development to occur, because it's occurring in -- in the county. That's really a decision I think that you, as the City Council have to make. I want to just let you know that it does appear that water and sewer could serve this property if you elected to do so and you have the comments from the fire department and I think Caleb may or may not have any additional comments on this one from a planning perspective and with that I will stand for any questions that you may have.

Simison: Thank you, Warren. Council, questions?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks, Warren. When we do our sewer master planning and when we analyze new developments I know we look at the committed flow and I just wanted to understand if we started making exceptions and -- and doing this on a widespread basis is there the possibility that if we started connecting up unanticipated sewer trunk connections that we would run out of capacity at the edges of our impact area?

Stewart: So, the -- excuse me. The answer to your question is if we started -- started doing this on a wide scale basis the answer to your question is, yes, that could cause a problem for us. So, we do run the model, analyze every single one of these. In the model -- I hope you can appreciate we always have what we refer to in the engineering world as a factor of safety. So, we always have a little cushion and so that's there precisely for these types of things. You know, we know that, you know, because of -- the sewer shed boundary may not always follow a property line, but there might be situations where we will add a little here, deduct a little there and so forth as the sewer shed develops. This property happens to be small enough and it's demand, because of the type of development it is, its demand is low enough that it's certainly within that -- we can be absorbed in that cushion area -- in that extra area.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just to follow up. Yeah, I understand that it's feasible. I care a lot about consistency in planning and ensuring that the taxpayers that support large-scale capital investments are the ones that get the benefit. Do you know an approximation of how much an entire sewer trunk costs the city, just an idea of how many millions of dollars that one of those is worth?

Stewart: Well, that's -- I can give you the central cost per foot. So, right now I think on a larger scale sewer trunk line, like the McDermott trunk sewer line, is probably going to be four to five hundred dollars per foot.

Strader: Great. Thanks a lot.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I'm not supportive of it. I think we get in the weeds and start parsing out whether or not -- I think the situation before is the more unique scenario. I don't know why we would entertain doing this. It's best I think to be crystal clear that it's not something the city does.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Yeah. I agree. And, Warren, I appreciate the fact that you found ways we could possibly within the margins provide water and sewer. It's all -- unlike the other -- other one before where you have an existing situation that needs some assistance and that will be developed according to our plans in the future, this is something that is asking to build now and yet we don't have a fire protection, we don't have cross-access easements, the Ten Mile plan will be altered and not adhered to. There is an existing irrigation drain situation. Pathway -- building the pathway system for our park system -- there is all these things that come to play that makes this a little bit different. So, I appreciate Public Works in finding, okay, we could do this and bring it to Council and reaching out to all the other entities in the city to say, okay, how does that impact us as a community from our requirements and -- and that -- that stack on that other side of the scale is way heavier. So, I -- I'm -- I'm not in favor either.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I don't know if this is a question for Public Works or for planning. There is an application that's -- that has been made just to the south of this for a large industrial complex and I think it would bring service -- if that were -- again, we -- we heard it and I think it got continued to the next couple of weeks, but if that were to be approved, then, would -- would that applicant come in -- be able to come in, then, and have an immediate congruent connection to city property and -- like is this a -- is this a wait until this next application is heard and decided and, then, have a further discussion, because now we are -- now this -- this parcel will be I think close to a city boundary. So, maybe that's a question for --

Simison: If it was contiguous they would have the right to apply.

Perreault: Right.

Stewart: Yeah. I was going to say they -- if -- if that's approved I think they would be contiguous and, then, I think what you would just say is come apply through the city and use the city's process, not the county's process.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I'm in agreement. I'm -- I think it's really important to be consistent and there is reason that we have committed flow and master plans and if we deviate from those plans it's not a good investment for our taxpayers and I view this as circumventing the normal process of annexation and development. I believe if they are interested in the future and they can annex into the city they should do that at that time. So, I'm not supportive of this.

Simison: That's the majority.

Stewart: Okay. Yeah. I was going to just maybe throw one anecdotal piece in there. There is -- I have also been approached by a property owner on the north side of Franklin who is probably watching tonight to see how this one goes about doing the same thing. So, it's definitely not the last one that you will see, so --

12. Finance Department: Annual Fund Transfer Proposal

Simison: Thank you, Warren. With that we will move on to Item 12, which is our Financial Department annual fund transfer proposal. Good evening, Mr. Lavoie.

Lavoie: Good evening, Mayor, Council Members. I appreciate your time to discuss with you our annual proposal for fund balance transfer. As we present to you this annual proposal, this is part of our policy that Finance has the option to make a proposal to Council for consideration to move funds between -- or move dollars and -- between our funds. Only Council has the authority to approve such a transfer. We have the ability to propose, but we need your approval to actually make this official. So, again, this is just a proposal for two transfers tonight. Again, I'm going to present to you the current fund balance balances of the General Fund, the Capital Improvement Fund, and the Police Safety Fund and, then, I'm going to present to you the proposals which have been submitted to you via a memo and an e-mail from last week. Again, appreciate the questions that you presented to me between the e-mail last week and today. Again, appreciate the dialogue. And, then, I will show you what the results of the fund balances look like with the proposals that I'm presenting to you. So, again, the information I am presenting to you has been presented to you via PDF from last week. So, the current fund balances for the General -- for the items that we are going to discuss are currently -- so, as of 9/30/2021, which is the most recently completed audited set of financial statements, the General Fund is currently sitting at a little over 59 million. The Public Safety Fund a little over 3.5 million and the Capital Improvement Fund sitting over 16.8 million. So, again, the Public Safety Fund, just to kind of give you an idea, along with the Capital Improvement Fund, we have these separate funds to set aside money so that the City of Meridian can construct capital infrastructure in the future. Again, we are a save before you spend, so we have put our monies into these accounts, so that when the projects come due we can actually use these funds to help assist with completing the projects in the future year. So, what I'm going to be requesting today is that we consider transferring a little over 3.265 million dollars from the General Fund's unassigned balance to our Capital Improvement Fund, so that we can use these funds at a later date to help construct future City of Meridian structures of infrastructure and, then, the other request that I have today is transferring one million dollars from the General Fund's unassigned balance to our Public Safety Fund, which is displayed on the screen accordingly. Again, those funds would be utilized for possible capital projects, fire stations, a precinct, maybe a ladder truck, vehicles for police, fire, things like that. So, with that the proposal I have set forth to -- or presented to you -- again, the picture on the left -- on the top left is the fund balance as of 9/30. If you were to accept the proposal as I have submitted to you the General Fund would go from 59.3 down to 55 million. Public safety would go from 3.5

to 4.5 and, then, Capital Improvement Fund would go from 18 to 20. So, again, those are the proposals I have set forth for you. Again, some of the items that we would use these funds for, again, as we talked about, engine replacements, vehicle replacements, possible fire stations, community centers, precincts, golf course repairs, you know, just anything called infrastructure or anything called capital here at the city, that's what we would use these funds for and with that I stand for any questions based on the proposal that I have submitted to you via the memo.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: This may be a silly question, but just to help me understand. Is there a reason behind the timing of why this request comes now and not during the budgeting process, for example? Is it by ordinance or what's the reason?

Lavoie: Fair question, Liz. The timing of this is just something we have in the schedule of our to-do list. We wait one month after our audited financials. So, we want to make sure the financials are complete before we make any considerations. So, that's the timing of it. It has nothing to do with the '23 budget or the '24 budget or any budgets going forward, because these funds are always still available to you. You are not losing access to this, we are just putting the monies in different buckets, so when a request comes up we can discuss should we use our fund savings to pay for this or not.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: One more. Is this consistent with -- I recall when we went through the -- with the budget process you were walking me through these funds and there was like a certain amount -- it was based on a consistent percentage I think that got swept into these typically on an annual basis. Is this consistent with that methodology or is this a different amount?

Lavoie: Good question, Liz. So, the -- the larger number that's associated to the General Fund transfer to the Capital Improvement Fund, that is following our policy that we look at the revenues -- excess revenues generated in the Community Development Department. So, it's not a formula, it's -- well, I guess it is a formula. It's whatever's excess, it's not a percentage, though. It's whatever is excess do we want to consider moving that excess amount to the Capital Improvement Fund and that's what I have presented to you for that three million. The one million dollar number is me looking at the next five years for the Public Safety Department and saying do -- could we use some extra cash over the next five years to help the future Council in relieving the burden of replacements and that's where that one million comes from me. It's just an analysis of future costs.

Strader: Thank you.

Lavoie: Thank you.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Todd, we had a little discussion tonight about how much it's cost and cost -- it's going to cost more. Fire chief was before us last week talking about fire stations and it's going to cost more. Difficulty in getting bids secured and how long they are going to hold them, because costs keep going up. So, how did you arrive at the numbers and try to use your crystal ball to figure out, hey, we better make sure we have enough money for what the fire stations and the police precinct, other things will cost in the future? How did you arrive at that?

Lavoie: Fair question, Brad. So, we do an annual five year CFP and an annual ten year CFP. So, the five year CFP was presented to you in December and we conduct our analysis of all the revenues and expenditures and see what the crystal ball looks like at that time. Right now we have a five year fundable plan that's using all the funds, Capital Improvement, Public Safety, General Fund -- I just put it all in one bucket to see do I have enough revenues to pay for all the expenses. Just to let you know, these two transfers doesn't mean I can pay for everything. I'm still doing deficit spending. We are still balancing the act over the next five to ten years. These are just -- this is just a tool to allow us to put some money aside, so when we want to we can tap into it, because you, as Council, have set this money aside. Myself, Robert, anybody, we cannot use these funds other than the approval by you. So, we are just trying to secure these funds for capital infrastructure down the road, as opposed to leaving it into the unassigned fund balance, which can be easily moved by the city, as opposed to the Capital Improvement Fund or the Public Safety Fund. So, this does not solve our funding situation. This is just allocating funds so that you have it there for capital infrastructure requests.

Simison: And, Council, you can always --- can always move this where ever you want whenever you want in the other funds whenever you feel it's appropriate. So, I -- you know, I'm not an accountant, I find it kind of just like, okay, we are just going to pull it out of our checking and put it in savings one or savings two or savings three. So, you can move them from saving one, two, or three back into checking whenever you want to, so --

Lavoie: You have complete access to this still. We are not losing sight of this. We track it all for you.

Simison: I do think Mr. Lavoie would like a motion.

Lavoie: I would like a motion, Mayor. If you accept the proposal we will move forward with it. If not we would leave the funds where they are and we still have access to them at the end of the day.

Hoaglund: Mr. Mayor?

Simison: Mr. Hoaglund.

Hoaglund: Mr. Mayor, I move that we approve the annual fund transfer proposal presented by the Finance Department tonight to the funds as designated that we saw on the slides.

Strader: Second.

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

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Lavoie: Thank you.

EXECUTIVE SESSION

13. Per Idaho Code 74-206(1)(d) To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code

Simison: Thank you, Todd. And do we have another motion?

Hoaglund: Yes, we do, Mr. Mayor.

Simison: Councilman Hoaglund.

Hoaglund: I would move that we go into an Executive Session per Idaho Code 74-206-(1)(d).

Borton: Second.

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

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

Simison: All ayes and we are moved in Executive Session.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

EXECUTIVE SESSION: (5:30 p.m. to 6:00 p.m.)

Simison: Council, do I have a motion?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Move that we come out of Executive Session.

Borton: Second.

Simison: Motion and a second to come out of Executive Session. All those in favor signify by saying aye. Opposed nay? The ayes have it and we are out of Executive Session.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move that we adjourn.

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: ALL AYES.

MEETING ADJOURNED AT 6:00 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

_____/_____/_____
DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK