

Meridian City Council Work Session

July 25, 2023.

A Meeting of the Meridian City Council was called to order at 4:30 p.m. Tuesday, July 25, 2023, by Mayor Robert Simison.

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

Also present: Chris Johnson, Kurt Starman, Caleb Hood, Vince Koontz, Mike Barton, Amanda Carson, Sean Harper, Kris Blume and Dean Willis.

ROLL-CALL ATTENDANCE

☒ Liz Strader	☒ Joe Borton
☒ Brad Hoaglund	☒ John Overton
☒ Jessica Perreault	☒ Luke Cavener
☒ Mayor Robert E. Simison	

Simison: Council, we will call the meeting to order. For the record it is July 25th, 2023, at 4:32 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next up is adoption of the agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move adoption of the agenda as published.

Borton: Second.

Simison: 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: ALL AYES.

CONSENT AGENDA [Action Item]

- 1. Approve Minutes of the July 11, 2023 City Council Work Session**
- 2. Approve Minutes of the July 11, 2023 City Council Meeting**

- 3. Extended Stay America-Meridian Sanitary Sewer and Water Main Easement No. 1 (ESMT-2023-0095)**
- 4. 2055 S. Locust Grove Water Main Easement (ESMT-2023-0079)**
- 5. Final Plat for Apex Northwest Subdivision (FP-2023-0010) by Brighton Development, Inc., generally located 1/2 mile East of S. Meridian Rd./SH-69 and 1/8 mile north of E. Lake Hazel Rd.**
- 6. Final Plat for Centerville Subdivision No. 1 (FP-2023-0009), generally located in the SE Corner of E. Amity Rd. and S. Hillsdale Ave., by Kent Brown Planning Services.**
- 7. Final Plat for Lennon Pointe Subdivision (FP-2023-0004), by Rodney Evans +Partners, LLC., located at the Southeast corner of N. Linder Rd. and W. Ustick Rd.**
- 8. Final Plat for Sagarra Subdivision No. 1 (FP-2023-0008) by Sagarra Phase 1, LLC., generally located at the southwest corner of N. Bergman Ave. and W. Orchard Park Dr.**
- 9. Findings of Fact, Conclusions of Law for Cole Valley Christian School Pre-K-12 (H-2023-0011) by LKV Architects, located at 7080 W. McMillan Rd.**
- 10. Findings of Fact, Conclusions of Law for Julia Subdivision (H-2023-0003) by Hesscomm Corporation, located at 2435 N. Black Cat Rd.**
- 11. First Amendment to Real Estate Purchase Agreement Between the City of Meridian and the Meridian Development Corporation**
- 12. Development Agreement (Ten Mile Public Storage H-2022-0016) Between the City of Meridian and PS Mountain West, LLC for Property Located at 4065 N. Ten Mile Rd.**
- 13. Resolution 23-2397: A Resolution Approving the Program Year 2023 Community Development Block Grant Action Plan**
- 14. Resolution 23-2398: Resolution in Support of the Gowen Thunder Airshow; Approving a Contribution in the Amount of Five Thousand Dollars; and Providing an Effective Date.**
- 15. Resolution No. 23-2399: A Resolution of the City Council of the City of Meridian Appointing Robert E. Simison to Seat 5 of the Meridian Development Corporation; and Providing an Effective Date**

16. City of Meridian Financial Report - June 2023

Simison: Next up is the Consent Agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move that we approve the Consent Agenda and for the Mayor to sign and Clerk to attest.

Borton: Second.

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

MOTION CARRIED: ALL AYES.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There were no items moved from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

17. Public Employee Retirement System of Idaho (PERSI) Update

Simison: So, we will move right into Department/Commission Reports. First item up is Item 17, which is a Public Employee Retirement System of Idaho update. I don't know if -- we will have Ms. Storms or Don Drum here to present. Good afternoon.

Drum: Good afternoon. Thank you, Mr. Mayor. I have a handout here. So, while he is passing those out -- my name is Don Drum. I'm the executive director of PERSI. I have with me today my Deputy Director Mike Hampton. So, we are both here. Hopefully we can answer your questions. What I understand that you want today is just a brief update on PERSI and so I'm -- I have tried to keep this at what I think will be about ten minutes and, then, allow whatever time you need for questions. So, if we go to the second page there that talks about the welcome and I'm going to give you a snapshot of what happened to PERSI in 2023. I will focus on two areas, the statutes and -- the statute and the two statutes that basically impact the reemployment of public safety officers, which is kind of a hot topic right now out there and, then, I will give you a -- kind of an update of the board's actions to hopefully sustain the fund in PERSI and what they are doing to make sure that happens. So, if we go to the -- this page here, the snapshot of 2023, when you look at this page you can see that we gained about 1.2 billion dollars in assets this last year. So, fiscal year 2023 was much better than fiscal year 2022 for us. We actually had a loss in 2022. The other real important number on here is the

amortization. So, you can see at the beginning of the year our amortization for the unfunded liabilities was in excess of one hundred years. You can see at the end of the year it was down to 12.8 and I will talk why and how that big change came about. You can see on the far right-hand side there the membership. So, we have 76 -- almost 77,000 active members. We have got 55,000 just over that. Retirees. And we have got over 868 employers in PERSI. So, there is a lot of people in PERSI. Things that happened this year is we hired a new CIO. We actually got a new board trustee. Lori Wolff from the state is the new trustee. Sue Gould, who was the director of agriculture, she went off the board and the biggest thing probably that happened legislatively was the change and the return to work reemployment of public safety officers. I will talk first about the statute associated with the amortization, because this is going to be a key when we get to contribution rates. So, the statute says that if the unfunded liability for PERSI is 25 years or greater, the board must take action and the only action the PERSI board can take is they can propose to adjust contribution rates. They cannot change benefits. Only the legislature can change benefits. So, in this last year, because we were over one hundred years, they had to propose some contribution rate adjustments and on the next page here I will talk through these four adjustments. So, one of the very first things the board did is historically we really haven't readjusted who was paying the rates and the amounts that we were paying between the classes of employees or members in PERSI. So, PERSI has three classes. They have general members, teachers, and public safety and what we found was general members were paying the greatest share of the unfunded liability and so the first thing the board did is they said in fairness to everybody we should have each class paying the same percentage to the unfunded liability. So, beginning July 1 of this fiscal year, 2023, we implemented the first rate increase here and we call that the fairness adjustment and that makes every class paying the same percentage for the unfunded liability. Then in order to get their amortization back down under 25 years they had to propose rate increases and the proposed rate increases are the three listed below here. So, historically when PERSI is over the 25 years they historically have done three rate increase proposals. By law we have really about 18 months to decide whether we need to implement those or -- and if we don't need to we can postpone them and if we get well enough funded in the future we can eliminate them. Historically we propose three rate increases and we generally postpone them for a couple of years. We generally implement one of them and, hopefully, can eliminate the other two. That's kind of been our history. This year we proposed the three rate increases and if you look at those you can see the final two are rather significant. The reason they are significant is we actually thought we were going to lose money again this year and so we built in enough cushion where if we lost money in FY-23 we could absorb that with the rate proposals we had on the table. We actually, in FY-23, made my -- made a net return of 9.25 percent. So, we are in pretty good shape right now. The board has a lot of actions as they consider what they are going to do with these rates and they will make that decision between now and October and they have the ability to postpone them. They have the ability to do several other things and we will just wait and see what they do. I will quickly talk about return to work. So, return to work this year was a bill that was passed. It affected State Code 5913566. With this bill what the bill drafters wanted to do is have the ability to rehire retired public safety officers and they also wanted to be able to rehire them within 30 days of their

termination. Normally we have a 90 day break. They changed it TO 30 days, which is acceptable. So, the requirements for that are that you simply have to retire from PERSI, you have to be over 50 years of age and you have to retire after July 1 and, then, you cannot return until after August 1st, because the rules in PERSI say that you have to receive your first retirement benefit to be considered retired. So, an employer has a choice. You do not have to hire these people, but you can hire a person who is a retired public safety officer. You can return them to any position in the city, so it doesn't have to be public safety, It can be a general position. And the other requirement is the employee and the employer must pay a contribution rate and the reason that is is what we have found historically is when these return to work things happen it changes the retirement pattern of the plan, it drives up the cost and because of that we are going to have to have them pay the contribution rates to help pay for the cost. And, then, the final slide I will talk about and, then, I will stand for any questions is sustaining the fund. So, there has been a significant amount of talk by our PERSI board over the last three or four years about sustaining the PERSI fund and so PERSI statute allows for a mandatory one percent COLA for retirees and, then, the board has the discretion to give the retirees the amount of the CPI for that year, August -- August CPIU up to an additional five percent. So, if the CPIU is sick, they could give one percent mandatory and a five percent discretionary, but they don't have to give the discretionary. Historically we have tried to keep all the retirees whole. As a matter of fact, up to 2020 retirees were whole. They had been caught up on all the CPIU payments. But we are having an expanding number of retirees and pension COLAs are fairly expensive. A one percent COLA today cost 130 million dollars and so this last year with inflation at 8.3 percent we actually only gave the one percent mandatory COLA, which was a little frustrating to some people. But I think the important message for everybody to understand is if -- if we go out and willy-nilly discretionary COLAs it can drive up the cost of the plan. Active employees would have pay for those -- that cost. And the board is not going to do that and put the plan in jeopardy of not being able to sustain the plan. So, we are going to use good diligence on deciding when and if we can give COLAs. We still want to give COLAs, we want to keep the retirees whole, but we will not do it at the expense of the plan and we will not do it and put that burden on the back of employers and the active employees and so maybe with that I will just stop and answer any questions you might.

Simison: Thank you Don. Council, any questions?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you very much. It's Liz. Council Woman Strader. Sorry, I can see you looking around, so -- appreciate you coming. I have a few questions. One question I had -- and just if you could clarify, because I -- we were looking in our, you know, future financial plan and we saw these rate increases in the next couple of years and they were significant. Can you talk a little bit about that? You said you sort of built your rate increases in the future assuming that you had another year for returns. So, what kind of

returns are you targeting and what -- you know, what do you need to achieve to avoid those or when those will be implemented?

Drum: Mr. Mayor, Council Woman, that's a really good question. So, PERSI has an assumed rate of return for -- of a net 6.3 percent. So, we assume every year and we build our contribution rates based on a return of 6.3 percent and so what we did last year as we had that loss and we looked at what was happening and we got into the board meetings where they were discussing rates, we had a bunch of our investment experts in the building that day and at that time the market was upside down. So, if you watch the market, it's -- it's going sideways and up and down quite a bit and so at that time the board asked those experts what they thought we might expect for return in FY-23, the year that just ended in June, and that day the -- the experts said we think you should expect a return of zero to a negative six and so the board, then, asked me -- they said what do you think we should do and I said, well, one thing you could do, rather than possibly having to propose rate increases two years in a row, is you could try to propose a rate increase that would absorb a six percent loss and that way you would only have to make one proposed rate increase and, then, if it turns out, like it historically does, if the market recovers we can adjust those rate increases. So, we assumed a six percent loss, rather than a 6.3 percent gain when we set those rates as high as they were. What we actually wound up with was a 9.25 percent gain. So, we outperformed our assumed rate of return. So, we are about 15 percent higher than what we thought we would be, which really opens the playbook for the board on what they might want to do with the rates. So, they could go in, they could do like we historically have and simply postpone those rates and move them one year out into the future. They could go ahead and postpone some of them and -- and change those last two. So, I guess my advice from a budget standpoint would be we are not out of the woods yet with the volatility in the market. I think if I were budgeting I would assume maybe our rates are going to go up one and a half to two percent and, then, we want to see the market stabilize and if it stabilizes hopefully we can eliminate some of those rate increases in the future and we really won't know for probably another year what's -- the stabilization you are going to see in the market. I hope that answers your question.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: It does. Is there like a statutory cap or is there any type of capping mechanism within the structure of PERSI? In other words, let's say that -- not that this would happen, but it wouldn't be unusual for markets to correct by 50 percent. It could happen. It's happened many times historically. Let's say that we have like an unprecedented correction or recession or even a depression, is there a limit to the amount of rate increases that PERSI can put through to its members?

Drum: That's another good question. So, Council Woman, so there is not anything in statute that limits it. So, the limit is the tolerance of the legislature and the tolerance of our employers and so I have been preaching as I tour the state and meet with

employers for probably five years I think there is a glass ceiling out here on where rates can go to. I don't know where we are, but I'm guessing we are pretty close. Okay? And so my assumption is that when we get to that glass ceiling there is going to be pressure from employers like you or pressure from the legislature to make changes -- appropriate changes to PERSI to try and control the contribution rate growth and so I think we have to keep that in mind. I would say I don't think we are at the glass ceiling today, but I think we are very close, and one of the things that I preached people to keep in mind when you make a benefit enhancement, like the reemployment, it may be a very good enhancement and it may have benefits for all the employers, but it increases the cost of PERSI and it brings you closer to that glass ceiling and when we get there we are going to have to be ready to make adjustments and my advice would be that I think we ought to start thinking about those adjustments now. PERSI was built for a 1960s workforce. Think about the workforce today. The workforce is way different. So, I think our rules associated with your Rule of 80, your Rule of 90 and some other things could be tweaked, you could actually provide the same equivalent benefit for future retirees as you have for today, but you could tweak the system and make it more sustainable.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: One more and, then, I promise to stop hogging the mic. Is your investment mix very sensitive to interest rates? Is that part of the problem? Are you very heavy into fixed income or, you know, kind of -- give us a flavor for how PERSI invests?

Drum: We have a very diversified investment. So, we are 70-30. We are 70 percent in equities, 30 in -- in fixed markets. We don't have a heavy investment in fixed income. We are probably heavier in equities. We -- we tend to be somewhat conservative. So, if you were to look at other pension systems -- I will take this year, for example, where we had a 9.25 net return. If you were to look at some of our peer systems they may have had a better return. So, we don't try to outperform the market in the good times. Where we outperform the market is in the bad times and so we recover fairly quickly and I can go back to the great recession and at the bottom of the great recession, 18 months after it bottomed out, PERSI had more assets than they had when we went into the great recession. We recovered very quickly.

Strader: I was just going to say it was a very tough year for investors that had a 60-40 or 70-30 portfolio. So, you got hit twice. You got hit on the interest rates high and you got hit on the equity market, so hat's off.

Overton: Mr. Mayor?

Simison: Councilman Overton.

Overton: Don, full disclosure. I sit up here as a PERSI retiree, 27 and a half years in PERSI and during that time I watched many many years when the scheduled increases would be set back year after year because the markets were doing well and as a retiree looking at it from the other side, when that one percent came up this year I understood, because my son's in PERSI now and I don't want to see that all the officers and all the teachers and all the staff members that are paying into PERSI have to continue to pay higher and higher rates just to try to increase the retirement cost of living. It's understandable. You guys have always run a very conservative fund. When the market turmoil happened ten, years ago, PERSI was listed as one of the top ten funds in the nation for how it was run through those times of turmoil and I appreciated that, because I watched so many funds throughout the country that were not run that way that were on the ropes and I have appreciated how PERSI's been run all these years and it encourages me what you are telling us today. I'm a little concerned about the new statute, but we are not going to know the full impact for a few years on how that's going to cause any disruption or cost, but I have a lot of appreciation for what you guys have done and how it's run today.

Drum: Thank you very much. I might add something to that, even though there wasn't a question. As -- you know, we have had some people criticize us for what we did in regards to COLAs this year. So, Social Security gave an 8.3 percent COLA I believe. And what we have told those people is we are not Social Security and if you listen to the news on Social Security prior to their 8.3 percent COLA there was a projection that they would adjust benefits down to 80 percent of what they are today in 2035. After they gave that COLA I have heard that that adjustment may occur sooner. PERSI is not going to make decisions to provide COLAs that have a direct impact to the benefit we paid our retirees. The benefit to me is more important than the COLA.

Cavener: Mr. Mayor?

Seal: Councilman Cavener.

Cavener: Appreciate Council Member Overton asking a question kind of along the lines of where I was coming from. He did it much more articulately than I would. But my question to that point was also somewhat around your -- your board members. Are all PERSI board members also PERSI contributors?

Drum: Good question. So, PERSI has five board members. Three of the board members, when they are appointed to the board, cannot have any previous PERSI service. So, they get service when they are on the board, but they can't have service prior to being on the board. Three of them. Two of the PERSI board members have to have -- they have to be active employees when they are put on the board with ten or more years of service. So, right now our two active employees -- is she recently retired. It's Joy Fisher from the U of I. And, then, Lori Wolff, who is the administrator of the division of human resources on it. She just came onto the board. And the smallness of our board is a real benefit to PERSI. Other boards have up to 25 members. A lot of them have 15. A lot of them are divided between politicians and union people and they

use the pension to negotiate. That's why California, Illinois, New Jersey and some of them are in trouble and so one of the strengths of PERSI is the fact we only have a five member board and the board and employers and governor and all the legislatures have taken care of this fund. You -- you have one of the best funds in the nation and it's really -- the people at PERSI deserves some credit, but not a whole lot. It's really because of all of you and all the people I mentioned that deserve the credit for taking care of this fund.

Cavener: Mr. Mayor, maybe one or two more real quick if I may.

Simison: Councilman Cavener for the duration.

Cavener: Thanks. Appreciate you kind of spotlighting Statute 59-1356. Don, does that also impact part-time employees or is that only specifically related to full-time employees? If somebody retires and comes back in a full-time capacity or can they come back and -- and work, you know, halftime, quarter time for a -- a jurisdiction?

Drum: Mr. Mayor, Councilman, so that's -- that's a really good question, too. So, basically, PERSI actually right now for general members and public safety employees has to return-to-work laws and there is returning part time. So, I will start with the part time. Under PERSI rules if you retire and want to come back to work part time you have to wait 90 days, you can come back part time. Part time is working 19 hours -- or under 20 hours a week or for four months and 28 days you can work full time, then, you have to take a 30 day break. Okay? If you are retired and -- and working part time it may not be advantageous to you to go to the new public safety rate. So, the new public safety deal is you are not eligible unless you retired after July 1 of 2023. If you are retired and you want to go back in that capacity you have to pay contribution rates at the public safety rate. As part time you don't pay any contribution rates. Okay? So, the old part-time rules are still in effect. People can utilize that. My advice to somebody is if you are thinking about going full time under the other thing I would talk to us and find out the real impact to you before you do that. It's not really -- it may not be advantageous to you to do that.

Cavener: And just maybe lastly, Don, again, appreciate you guys being here. This is both educational and enlightening every time that you are here before us. So, recognize so much of your work is guided by state statute and through our legislature. What -- what advice or direction are you giving to local jurisdictions -- I mean if -- if you had a magic wand is there anything that you wish local jurisdictions would do more of, less than, incorporate, drop? Any advice to give us?

Drum: That's a really good -- that's a loaded question. So, I guess my advice to employers is always understand PERSI. PERSI is a key component of public sector employment in Idaho. One of the valuable reasons that we are able to attract and retain public employees is because of PERSI. Everybody knows we don't pay public employees the private sector rates, but the private sector does not have PERSI and so I always tell people you have to stay engaged, you have to understand, and I think at this

point -- now, I'm -- I'm getting ready to retire and so I -- I'm going to speak maybe more freely than I would otherwise. I think -- I think PERSI's at a crossroads here. So, I talked about the 1960s workforce and the workforce of today. We talked about the higher proposed contribution rates. I think there is going to be some questions from employers and the legislature about PERSI in the next -- I'm going to say one to five years and I think we all have to be prepared to make the appropriate adjustments to PERSI to be able to sustain the fund, to keep it as part of your compensation package at the -- at the employer level and to make sure that we protect this fund for future employees. It's very valuable and so I will try and stay engaged in my retirement and you as -- on the City Council is engaged as you can be in understanding what legislators are saying and contacting us at PERSI. Although I won't be there, I'm probably going to be doing something that you can contact me, but you can definitely contact Mr. Hampton.

Cavener: Thank you.

Simison: Council, any additional questions?

Borton: Mr. Mayor?

Simison: Oh, yeah. Mr. Borton, you want to be on the record.

Borton: Yeah. All right. I was going to jump on the thank you train. So, Don and Mike Hampton, your whole team does deserve a lot of thanks and -- and your point about the value of the PERSI component to compensation for public employees is a really big deal. That cannot be understated. So, we all benefit and appreciate the ability to -- to use that as part of our recruitment of the talent that we have, like the other employers that are all members of your organization. The stewardship that you talk about, the hard work that your board does, the secret sauce that you have cultivated over the years has paid huge dividends throughout the state. Meridian has benefited immensely by what you have done and the track record you have created. So, as -- as a City Council member and also as a friend, a big thank you to that leadership. That's tough. You get a lot of arrows pointed at you. The session can be tough every year. But you hold to a true north and we all are grateful for that. I -- I, for one, am very appreciative. You and -- and Mike Hampton have done a phenomenal job and I look forward to the continued success that you provide.

Drum: Thank you.

Simison: So, Councilman Borton, do they play better offense or defense?

Borton: So, I was telling stories from old optimist football days. So, I won't put any of that on the record.

Simison: Fair enough. Well, let's leave it there, so -- all good.

Drum: Mr. Mayor, I -- I could share one story if you have time about offense or defense. And -- and not about Optimus Football, about PERSI. So, I'm a big advocate for personalized service and I'm a big advocate for touring the state and keeping employers informed and working with the legislature and all that and nationally people -- I tell people about my travels around the state and I put 12 to 15 thousand miles on my car almost every year doing this and sometimes they -- they talk to me about being out of the office all the time and I talked to them the value of that and how we educate people and people understand it and they talk to their legislators and in Idaho we are one big team and so we brought the -- the national conference to Boise about three years ago and we were at the Capitol and this tour guide took everybody up into the gallery and starts talking to them and he says who are you people? And they told him that they were with National Pension Systems and he goes, hey, have you heard about PERSI and he starts telling him all the stuff that I distribute in these handouts. This is a guy that just -- a public employee just working at the capital that wasn't prompted and they all looked at me and smile thinking I had prompted him. I hadn't given him anything. So, you guys protect our system. Our members take care of it and when they learn about it and we give them the tools to defend it they do a good job. So, I think maybe that's defense with a little bit of offense added.

Simison: Thank you. Appreciate it. Thank you, Don, very much for --

Drum: Thank you.

Simison: Thanks for being here. Appreciate it very much.

18. Strategic Plan Bi-Annual Update

Simison: Okay. All right. With that we will go on to Item 18, which is strategic plan bi-annual update. Mr. Koontz. IRL at the request of Council. There you go.

Koontz: I am here, so -- except this one works better. So, good afternoon, Mr. Mayor, Members of Council. I'm here to present the bi-annual strategic plan update for our 2021 to 2025 strategic plan. I got really inspired by budget meeting jokes, so I'm going to give you one real quick. So, what do you call a reluctant potato? A hesitator. Yeah. Okay. Sorry about that. Okay. I'm going to get this stuff -- so this one works. Okay. So, on the agenda -- so, I have got a recap of what's been achieved during this past plan period from January to June, recap by focus area of key highlights of work that relate to achievement of the goals and the plan. I have got ongoing execution and, then, answering any questions you might have. So, fairly standard. So, from the January to June recap we have -- this represents half a year of -- of achievements and execution in the plan. I'm happy to report that we have completed 89 of 354 tactics in the plan, which is about 25 percent of the total tactics. There is currently work being done on 90 percent of the tactics in the plan. So, you know, good key achievements there. I -- I wanted to highlight some of the key achievements that have happened since we executed the plan in 2021. You all as a City Council developed the focus areas and the goals and adopted them in early 2020 and in 2021 we started execution

of the plan. So, some of the key highlights include our parks master plan update, along with our urban forestry plan. The Lakeview Golf Course and setting in those guiding principles and their master plan. Guiding important projects and outlining the future of what it means to be a vibrant sustainable community. Police and fire have taken important investments in design, development and staffing of our fire stations and precincts. Our staff and partners has also taken action under Linder Road and associated design and public communication for our transportation commitments. We are currently growing responsibly with an emphasis on safety through our streetlight master plan, intersection and pedestrian task force and updates to our open space and amenities requirements package for development. And, you know, more recently you also heard on the solid waste master plan. So, there is a variety of key achievements that have happened in the plan to support our community and our community's desires. So, I'm going to go through by focus area and highlight some of the key work that's been done from January to June of this calendar year. Under responsible growth, which is about enhancing our long-term comprehensive -- comprehensive vision and prioritizing in-fill development and encouraging affordable and diverse housing options, staff has been currently updating the staff report template and getting additional feedback from planning and zoning. These reports will also include analysis on mixed-use, longer term impacts on remaining zoning types and underserved areas, along with adjacent development impacts. They will be working on bringing that to you in the next few months. Our economic development team and community development are currently researching how to best utilize improvement districts, both local improvement districts and community improvement districts and they will be engaging with external SMEs that work with CIDs and LEDs together to gather a better understanding of how each one of these tools works and present that to you. Under -- under transportation infrastructure, which is about prioritizing safe and connected community, including partnerships, pathways and congestion challenges. Liner road overpass design has continued to move forward and they are currently at the 75 percent design review. We expect a substantial completion of that towards the end of the year and Keller and Associates has been continuing the right of way conversations as -- as progress moves forward there. Conversations with ITD are advancing and they are in their CIP, but as of yet we are unfunded. Pathways. You heard earlier from -- early in the year from -- from -- from parks on our Five Mile Golden Spike to connect Ten Mile and Black Cat and that started -- significant work has started connecting those pathways throughout the system with the connect -- with increasing safety accessibility of services, we had our initial meeting with the Intersection and Pedestrian Task Force -- Safety Task Force to review intersections and define opportunities to improve safe travel. We have also completed our streetlight master plan update to formalize underserved areas in Meridian and to add LED lighting options throughout the community, which will both impact safety and crime. Public -- under Public Health and Safety, more recently Fire Department Community Risk Assessment and Community Standards of Cover document were updated and will serve as part of our accreditation process. The self-assessment will be updated, which will include a 500 page organizational diagnostic and we should have most of those approved by the end of 2023, which will help serve the community better -- better with the improved ISRB rating. As long as -- as far as Public Works, the sewer master plan is currently in --

Seal: Vincent, do you want to advance your slides?

Koontz: Oh. Absolutely. I thought I did, but I didn't. The sewer master plan is in final stage and will be ready shortly for the sewer master plan. The wastewater recovery facility plan and water master plan task orders have been developed and approved and these plans will be underway in FY-24 and currently the digester six and sidestream treatment projects will be starting construction shortly. Under vibrant sustainable community, Discovery Park phase two has been moving forward rapidly with the bike park and skate park -- skate park construction and we will be continuing with seating areas with the grass and the -- throughout August. Lakeview has heard from the parks staff on long term plan for the clubhouse bathroom and shade structure. The shade structure is currently being engineered and will be installed when building permits are obtained and the irrigation system and concrete paths are currently fully operational. The solid waste master plan was brought before you for review in June and will guide our waste stream diversion and detail out some communications and program goals. Public Works will also be applying for energy efficiency funding and for CI -- CIP projects in FY-24 and '25, which I believe you guys heard about in the budget discussion. And under government excellence our innovation and change academy recently launched our internal innovation portal, which will help with -- with help from IT, which will help track, communicate -- and communicate with employees about their process improvements. This project eliminates paper forms, provides management with data through the use of power BI. Our community development department is also working on a process improvement related to the easement process, as well as improvements on how we receive and provide feedback to our customers. We also have implemented a recognition program for process improvement program, innovation change academy, that provide an opportunity for the community to lunch and learn with sessions and also to work with our various providers in the community to talk with them about process improvement projects. On the mymeridian podcasts we have had over 3,100 downloads and are currently recording season two of this successful program. So, kudos to Sahand and the communication team for that. Obviously, you guys heard that we have made some major improvements to the website, so that was a key major accomplishment there. As far as -- as far as ongoing plan execution, we are continuing to evaluate data from the citizen survey. We are -- we are partnering with a consultant to continue to examine our planning and zoning and traffic services, which were areas of opportunity in the citizen survey. So, we have had several focus groups and look to develop additional survey instruments and apply some of those things to the 2024 citizen survey, which is an essential tool for our strategic plan, because it's a -- it's a big key of our outcome measures for that plan. In December I looked to update you as kind of a mid-plan review, because it will be about two and a half years in. So, it will be a little more in-depth review of where we are at, where we are going to be, what we expect to accomplish in the back half of the plan. So, looking -- looking forward to the future we will also be looking to align resources for the next strategic plan and, then, gather ideas for policies and future implementation ideas. And with that I will stand for any questions if you have any.

Simison: Thank you, Vincent. Council, questions for Vincent?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. That was fantastic. Love hearing all the victories; right? It makes us -- gives us a big picture sense of -- of what actually has been accomplished when we are making all these small decisions every week. Could you talk about -- I believe you said that there were staff that were going to be studying about CIDs and LEDs. Could you just give us maybe an understanding of what the intention was and kind of what the background was leading to the decision to look into those options as revenue generating sources?

Koontz: Sure. Council Woman Perreault, I -- what I -- what I know about it is I know that the economic development staff has engaged on those topics on how to better utilize them from firms that have typically done that, but I don't have a -- I don't have enough information to really give you a lot of information on that, but I could probably bring something back to you.

Simison: And I can answer that question. I mean really this has just been -- when we look at the ways that we can have growth pay for growth, these are just two other tools that the city traditionally has not utilized and part of that's been to make sure we understand what would be -- what would be the impacts to whom if we were to want to look at utilizing them from that standpoint. So, we actually just did have a conversation about a month ago with a firm that specialized in these and it's still in the analyzing the information process. But that's really what it was is just like -- if we want to deploy this tool in certain areas, such as southwest Meridian, that's probably the area that you could -- you know, where we have had some challenges where we have roadways, which are currently impacted by county developments that if we want to see offsite improvements this is a way that we could engage with the development community if we were wanting to see growth in that area.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. I think it's always important to know what options are available and to at least know what tools are out there. Our neighbors to the south had -- had done an LED for their sewer plant and -- and it was tough for them during the recession. So, it's -- it's good to maybe even chat with them at some point and -- and see how to -- how you -- I don't know if you ever recession proof anything, but -- but what that looks like sort of in a long term way to -- to absorb the bumps, but also still accomplish what -- what those funds might be used for. So, I think whether you -- city chooses to do it or not, I think it's great to at least know what the options are, so awesome. Thank you.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I mean I guess I have a couple things to throw out there. I sort of view it like the strategic plan should be able to evolve and we should be able to add things. Like it shouldn't just sort of stay like a static thing that just gets like refreshed every four years or whatever. So, some things I thought might be helpful to add would be -- you know, we have had some discussion about creating some type of a north-south corridor in our pathways network. So, I think that's something that's worth considering. There has been a lot of discussion about making sure that our fire department is resourced for fighting fires with larger high rise structures. I know that there was some discussion and -- and a little bit of work done on that. So, that's something to discuss. On the water quality one I just think we should dig into that a little bit. You know, uranium content in our water has been a point of discussion. It sounds like that's gotten a lot better, but I think that's something to keep an eye on, as well as, you know, the PFAS chemicals, the forever chemicals or something that's kind of emerging. And, then, my final suggestion is I think we need to continue doing a city employee survey. I think that's important to make sure that we are focusing on government excellence and have a good pulse on what's going on in our different departments. So, I just wanted to throw those ideas out there. I think, you know, those are things that we could add to the plan that we really had like a lot of discussion about or at least some discussion about. I think it would be good for us -- you know, it's easy sort of for the end of a term to like take your eye off the strategic plan and I just feel like it's really important to continue updating it and make sure those ideas kind of move forward.

Koontz: Yeah. Council Woman Strader, I -- I agree with you that some of those things could be discussed with the departments. I know that the citizen survey -- I had a conversation with director -- with Debbie, basically, and, you know, she's got some ideas about where she would like to take out her vision and, you know, just discussions with -- with leadership on that. So, you know, I take your input on that and I will have conversations with the directors and if -- if it happens to be something where it's going to change the direction through one of the goals that we adopted or, you know, changes something, a focused area, that's in the purview of City Council to go make that kind of change. So, whether or not it rises to that level or if we don't see that it matches one of those goals currently, that would be where I would say like as a Council body we need to make that decision if -- if it's going to be achieved in this plan, you know, because there are two years left -- two and a half years left. So, if -- if as a body we feel that those are directions we want to go and it's not currently represented in the plan, otherwise, the departments can make strategies and tactics to do those things, if as a city we are -- we are willing to make that direction, so --

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Vince, I gave you a hard time for the joke, but the presentation was fantastic. I -- I appreciate you coming before us and coming back and doing it in person, as

opposed to video. It helps I think the conversation flow. A couple comments. One, a credit to you, directors, Mayor, you know, this really is a city strategic plan. You know, I have been very critical of past iterations. They felt very operational. This is much more aspirational and so a couple of comments and maybe some -- some challenges. To Council Member Strader's point, I -- I think that we need to start looking at our citywide strategic plan as less than a five year bubble and these -- these are evergreens; right? We shouldn't have to wait to propose new goals until 2025 and so I think looking to you, Mayor, Vince, our directors to bring those goals -- maybe it is on an annual or bi-annual basis I think makes sense. If there are other tactics that need to be explored -- I know that doesn't fall into the purview of Council, but I think sharing that and informing of that -- as of that is also beneficial. And, then, I think because of -- of you and your team's success, the challenge is we need to start thinking bigger than just the city strategic plan. We need to start looking at a maybe ten year period for our community as a whole. What is ACHD's strategic plan over the next ten years and how does that impact us? How can we be thinking about that and planning for that now? Our other partners, like West Ada, our urban renewal district, mosquito abatement district, the county as a whole really, incorporating what those are and really bringing forth a community-wide strategic plan. So much of our work interweaves with others and so many other people -- other entities work interweaves with us. As much as we can build a cohesive plan that impacts Meridian citizens I think that's the direction we need to go and I think because of your great work I think we are positioned to be able to do that well.

Koontz: Thank you, Councilman Cavener. I appreciate that. I think for the next strategic plan that building that momentum into, you know, what are we -- what can we control, what's in our lane, but how can we -- how can we impact others and how do they impact us is -- is definitely going to be important. You know, what is the -- what kind of aspects from the business community can we -- can we integrate. So, I think taking all that -- we started a good -- we started that really well in the -- in the -- this iteration of the plan, but I think expanding upon that, using our citizen survey as a feedback tool and expanding what we ask our -- ask our citizens, as well as working with their partners, absolutely is something that we -- we want to do and I'm already thinking about the future in -- in planning for that next -- next -- next strategic plan, so --

Simison: Councilman, additional questions or comments? All right. Thank you, Vince, for coming back from vacation and I know you didn't want to, but the Council really appreciates you coming back and doing this presentation for us, so -- and with that, Miranda, we are going to punt on you for a few minutes just to make sure we get our guests squared away, because we -- we do not want to have to ask them to come back if we can.

20. Overview of Proposed Franchise Ordinance Pertaining to Idaho Power Company

Simison: So, with -- with that we will move on to Item 20, which is an overview of the proposed franchise ordinance pertaining to Idaho Power Company and Mr. Starman is

going to present, but we do have Paris from Idaho Power here as well -- to as a backup resource if necessary.

Starman: Thank you, Mr. Mayor, Members of Council. As the Mayor just mentioned, this is a brief presentation relative to a proposed franchise ordinance relative to Idaho Power. The idea was to give you a brief presentation this evening. We also on your regular meeting have an ordinance for your consideration for first reading if you are so inclined. But we wanted to provide some -- some context before you consider the actual ordinance. For a couple reasons. One is we don't deal with franchise ordinances often. This is a good example where our ordinance -- or our franchise with Idaho Power dates to 1998. It had a term of 25 years and so we have -- we as a city have not thought a lot about that franchise for some time. The agreement -- or the franchise will terminate toward the end of this year, around November 1st of 2023, and so Idaho Power and the city are both interested in entering into a new franchise that would cover the next period of time. So, that's what's before the Council conceptually now and, then, an ordinance at your regular meeting a little bit later this evening. The proposed franchise is very similar to the franchise that has been in place for some time now. It's largely governed by state law in terms of how the franchise works and what fees can be assessed and things of that nature. I think an interesting aspect of the franchise for Ada County and Meridian in particular is that -- you often think about -- I think people often think about the franchise is the -- an agreement that allows the utility to make use of the public right of way. Ada county is sort of a unique animal and that we have ACHD that owns and operates most, but not all, but most of the right of way in the county and so the courts have dealt with this over time and have explicitly ruled that notwithstanding that arrangement cities are the entities that issue and grant franchises for entities like Idaho Power and so the courts have dealt with that issue and have -- have ruled that it's the city that has the authority to grant the franchise, even though much of the right of way is owned and controlled by ACHD in our situation. The other kind of unique feature of the franchise is that by law it has to be done by ordinance. So, it's not a contract, it's not an agreement, it's an ordinance and that's required by state law. And, then, there is some unique features that go with the passage of such an ordinance. So, the requirement is, unlike our typical process for other ordinances, the Council's required, if you are so inclined, would be to introduce the ordinance for first reading. Then we must wait at least 30 days. So, a minimum. Could wait longer. But have to wait at least 30 days before considering a second reading. And during that intervening time the city has to publish a summary of the ordinance in our official newspaper, the Idaho Press, to give the public ample opportunity to know what's going on and to comment. There can be no changes after that publication occurs. There can be no changes that would be disadvantageous to the city. If that does occur, then, the process has to start anew. So, that's a unique feature of this franchise ordinance as well. Once the 30 days elapses the Council has been -- the process is somewhat similar to our typical ordinance adoption process, second reading and third reading and a second publication and, then, another unique aspect of this process is that once that occurs per the terms of the ordinance, Idaho Power has 30 days to accept the franchise. This is an ordinance, not in state law. But 30 days to accept the franchise. If they do not do so for whatever reason, whatever rights they may have gained in their franchise expire and the city has

the ability and the right to repeal that ordinance if necessary. That's highly unlikely, but another kind of unique feature. And, then, lastly, in terms of unique features, this is one of those rare animals and typically to pass an ordinance it's a majority of the Council, a majority plus one. This is a situation where it has to be not just Council Members present, but the majority of the Council as a body. So, all six members majority plus one. So, for example, a three-one vote would not be sufficient to pass a franchise ordinance. You need to have -- you need to have at least four affirmative votes. Lastly I guess I would say that, you know, the structure in terms of what this means for our residents and for the city and for Idaho Power, this is largely prescribed by state law. The state law essentially has a default franchise fee of one percent. That's sort of the floor, so to speak. I think it's a fair way to describe that. That's what is proposed in this franchise ordinance that you will consider later this evening. In theory -- or by law that fee could be as high as three percent, but that requires the Idaho Power in this instance to agree to that or a vote of the people. Meridian has typically done the one -- always done the one percent fee, which is, essentially, the lowest fee contemplated by law. I think that's good for our community and good for our residents. My understanding is that this shows up on how residents build as a line item. One percent of gross revenue is a fairly modest number. Depends what your electric bill is per month, but it's one percent of the gross amount and we look at that in the aggregate, it's one percent of gross receipts or gross revenue for Idaho Power, less on collectibles and that becomes the franchise fee that the city receives and just to provide some context for that and going to our last audited fiscal year FY-22, that number was just over 800,000 dollars and increases -- of course as the community increases and our population increases that number has continued to climb over time. So, all that is by way of a background is to because there is some unique features of a franchise ordinance. That's just to provide some context for you. As I mentioned you will have the opportunity to introduce the ordinance later tonight during your regular meeting if you choose to do so. And as the Mayor mentioned we do have a representative from Idaho Power tonight Paris Dickerson who we have worked collaboratively with Idaho Power on drafting this ordinance. And so we both are available and stand for questions.

Simison: Thank you, Mr. Starman. Council, questions for Kurt or Idaho Power?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Just wanted to understand as far as the franchise fee it's gross revenues for the City of Meridian that that's calculated on; correct?

Starman: Thank you, Mr. Mayor and Council Woman. Correct. So, it's the -- the franchise fee is based upon gross revenues collected within the City of Meridian, including as the city grows and annexes new property. So, it's the revenue collected within our territorial boundaries. It's one percent of that gross number.

Perreault: Thank you.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Kurt, the -- the proposed agreement is a 25 year agreement. Is that a term dictated by state code and, if not, what's the advantage of doing a 25 year agreement versus a 50 year agreement or a five year agreement?

Starman: Thank you, Mr. Mayor and Council Member. The -- my recollection of the code is that there is a minimum of ten years and there is a maximum figure, which I can't quite put my memory bank on. I want to say 50, but I might be mistaken about that. We chose 25 years I think because the thought being that it avoids having to do this type of process more frequently, but it also recognizes we don't really want to go much longer than that, because the world changes and circumstances change and we want to be nimble and make adjustments if need be. So, there is nothing magic about 25 years. It could be as little as ten years and it could exceed 25 years. I think the thought process from the staff perspective was that's a -- a good period of time that puts the franchise in place. It gives certainty to Idaho Power during that period of time for their planning purposes and expenditures and maintenance. But it's not so long that it locks us in as technology and the world changes.

Cavener: Mr. Mayor, quick follow up.

Simison: Councilman Cavener.

Cavener: Kurt, is doing an agreement like this fairly labor intensive for the Legal Department? Is it any different than any other contractor agreement that we put together?

Starman: Thank you, Mr. Mayor, Council Member. This one actually probably -- in a sense we don't do it often. So, it takes a little time to get re-acclimated, so to speak. So, I think that that takes a little effort. The actual agreement of the ordinance in this instance is similar -- not identical, but similar to the ordinance that exists now and so to that extent we were able to -- we had a good template to work from, so that made it -- made the project a little easier. So, I think it was probably a combination of maybe a little extra work to get back up to speed, because we don't do these often, but the actual ordinance itself we -- we had a lot we could use from the current ordinance and so we didn't have to recreate the wheel.

Cavener: And, then, Mr. Mayor, maybe just one more.

Simison: Councilman Cavener.

Cavener: Kurt, was our last agreement, then, 25 years as well?

Starman: Mr. Mayor and Council Member, yes, the last agreement was entered in 1998 and it was for 25 years. So, it will expire at the end -- or near the end of this calendar year.

Cavener: Okay. Thank you.

Starman: You are welcome.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you, Kurt. Under Section 7 of the proposed ordinance I was just curious if the amount of minimum insurance has been increased since the last agreement or if that's, you know, by state code or what's the background on that?

Starman: Thank you, Mr. Mayor, Council Woman. That was actually a point of negotiation with Idaho Power and we had inquired and negotiated that figure as well. This number actually reflects the number in the current franchise. Idaho Powers response was -- this is typical with other franchise ordinances and -- but more compelling for the city is that because of the limitations in Idaho with our tort laws and -- and the amount of exposure to the city that just provides adequate insurance for those event -- possibilities or for liability. So, we were satisfied with that answer, that because of the Tort Claims Act that this is adequate protection for the city.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Sorry, but not being familiar with the Tort Claims Act -- is there a maximum amount that can be awarded and what is that amount?

Starman: Thank you, Mr. Mayor, Council Woman. Yes. Under the Tort Claims Act that cap, essentially, is 500,000 dollars per incident or per --

Strader: Thank you.

Simison: Council, additional questions or comments or --

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: If you are asking for comments, I -- maybe I'm dating myself. This last agreement was passed when I was a junior in high school, so I'm -- I'm somewhat reluctant to be supportive of a 25 year contract. I think ten is more in line. Again, not that I have any concerns, but to Kurt's point, a lots changed in the past 25 years and a

lot will change in the next 25 years and I think giving us as a body the opportunity to address any changes, any type of franchise agreement on a ten year cycle is something I'm more supportive of. I mean 25 is -- is a little long for my level of comfort.

Simison: Maybe, Kurt, a question for you. If the legislature changed the franchise does it impact what we have in place? If they all of a sudden say, you know what, cities, we are not going to make you vote. You take up to three percent. Does this lock us into one percent if that law were to change in a 25 year --

Starman: Thank you, Mr. Mayor. That's a good question. So, I'm going to sort of think out loud with you on that topic. So, this is not a contract or agreement in the sense of a, you know, sort of private party to private party or in the city with a private entity, but it does function quite a bit like a contract. I mean it is -- it does -- it is laid out in that manner. So, I would think the city would be -- I think as I -- as I assess that scenario I would be hesitant to recommend we deviate from the franchise ordinance that was adopted. Even if the legislature provides some additional flexibility down the line I think I would want to assess that very carefully before deviating from the franchise ordinance, because once we grant the franchise Idaho Power relies upon that franchise to make decisions and to the extent we change the parameters after the fact I think we have some potential liability there. So, just to complete the thought that somewhat supports Council Member Cavener's thought that maybe a shorter time might be preferable for that reason to the extent the world might change -- not just in terms of technology, like solar or other technology, but from a legislative perspective that does allow some additional flexibility to assess it more quickly. I would say that this area of law has not -- the legislature has chosen not to change this area of law much, if at all, during that last 25 year period, but certainly they -- the legislature could on a going forward basis.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I -- I would be curious to hear feedback from Idaho Power if, you know, there is a real adverse impact from changing the contract term from 25 years to ten years. I tend to agree, it's not a contract, but it functions like one. So, 25 years is a really long time.

Dickerson: This one? Okay. Great. Thank you so much, Council Woman Strader. We really don't have any issue if you guys would prefer to stick with a ten year agreement that's perfectly acceptable. As Kurt mentioned, that is the minimum that we like to see, just because of the administrative elements of getting into these contracts or ordinances. But no issues on our end if that is what you guys would prefer to do. We are happy to entertain that and -- and make those quick changes in the ordinance.

Simison: Okay. Anything else for Idaho Power right now?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Question similar to the Mayor, but -- but -- but opposite, which is if the -- if the state were to decide to increase the minimum franchise fee that -- the document doesn't read like that would, then, follow or that it doesn't state, you know, the cities would have X amount of time, then, to update their ordinance. It really doesn't go into that possibility and -- and how that would need to play out.

Starman: Mr. Mayor and Council Woman, that's my recollection of the ordinance as well is that it sets a franchise fee at one percent of gross revenue minus on collectibles. So, I don't think a -- you know, even if they are external changes, legislative or otherwise, I don't think that would change the content of the ordinance, if that answers your question. But the one percent is codified, so to speak, within the ordinance.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: And my question was if the state were to increase the minimum franchise fee, say from one to one and a half percent, are you saying that if our ordinance is at one percent we would stay at that one percent, even if the legislature -- for the term of the contract, even if the legislature were to increase the minimum?

Starman: Mr. Mayor and Council Woman, I -- again I want -- we want to assess the facts at that -- at that point in time. But my thinking is somewhere -- my answer I guess is similar to what I mentioned a few minutes ago in response to a different question, is that although the franchise ordinance is not a contract in a technical sense, it does function that way. So, I would be reluctant to deviate, unless, you know, state law said you shall charge 1.5 percent, that would super -- state law would supersede I would think. There is some other issues with that in terms of infringing on contracts and so forth, but we can talk about that later. But as a general response to your -- your question, hypothetical, is I would be reluctant to deviate from -- from the franchise ordinance, even though external things may change, because I think it sets up an argument that Idaho Power relied upon the franchise ordinance to do X, Y and Z in terms of making investments and amortization and things of that nature and, then, to the extent we changed the rules after the -- after the franchise has been granted -- I think there is a potential for an argument there that we -- that we have harmed Idaho Power. So, I would be reluctant to go there.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Yeah. And, Kurt, yeah, Section 15 I think speaks into that a little bit where invent -- amendment of laws, rules, regulations, the City of Meridian, State of Idaho or Public Utilities Commission of Idaho applied to this franchise. It says we have the rights

and privileges hereby confirm, maybe change, alter, amended or modified upon mutual agreement between the city and the grantee. So, I'm thinking -- and there is 60 day notice and all that type of language. But it sounds like there is some -- if something gets changed out here in the world we can go back and let's talk about this and maybe make alterations.

Starman: Thank you, Mr. Mayor and Council President. I -- I thank you for reminding me about that provision. So, there is a provision for -- again, not a contract, but I'm going to use the term amendment. There is an opportunity to amend the franchise as you just articulated or read from the ordinance. So, there is a possibility that the two parties the city and Idaho Power could work together in that regard. My general census Idaho Power is receptive to this -- or would be receptive to discussions like that. Really this is largely a pass through from Idaho Power to their customers and so I think Idaho Power would be receptive if the world changes, you know, the law or otherwise, that Idaho Power has been a good partner with the city and has provided a good service to the community. I have every reason to believe they would be cooperative.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Just because Paris is up, it's -- it's been a minute since we have had a representative from Idaho Power before Council, so I just want to say thanks for everything Idaho Power does. To Kurt's point you are a great community partner, you support community events, you educate our citizens. I know this time of year people maybe dread the Idaho Power bill in their mailbox, but I think it's a good opportunity to remind that you guys do a lot that you aren't required to do because you really care about being an active member of our community and I just want to say thanks, I appreciate it.

Dickerson: Thank you so much. We really appreciate that. And always happy to come and talk about anything you guys are interested in. You know, anytime you have questions generally about Idaho Power we can always come and present to Council about anything you guys are curious about. Bills do get up a little bit in this time of year, too.

Simison: Council, any additional questions, comments or direction to staff on length of time for consideration?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: To that point, Kurt, if -- if we decide to go to ten years, as opposed to 25, it sounds like Idaho Power is willing to do that. How does that impact the timing of what we have up tonight? Can we amend that here now and, then, have that move forward

with a ten year, as opposed to 25 year, or does that -- we have to come back in two weeks and, then, how does that impact the -- the timing of everything? Because what happens -- I guess second question, then, is if we miss that November 1 date of -- the other agreement expires, what -- what -- what happens?

Starman: Thank you, Mr. Mayor and Council President. So, a couple of thoughts there. One is I -- I think that the -- if the Council as a whole is inclined to change that time period to ten years or whatever the number might be, I think we could accomplish that at your regular meeting when we consider the ordinance, we can make that change at that point in time. If you would prefer to give that just a little more thought and actually bring back a clean version of the ordinance two weeks from now, I don't think that would be detrimental either in terms of the time frame. We have -- we intentionally started to work with Idaho Power early in the process, so that we would have this in place well before November 1st and so even for argument's sake, if we had to wait two weeks to modify the ordinance and bring it back to you on a future agenda, we still have ample time to meet the November 1st deadline so to speak and with respect to your second question, I don't really know the answer to that. Maybe Ms. Dickerson has some thoughts about that. But to the extent we have a gap period, I'm -- I'm quite certain that has happened in the state of Idaho and other jurisdictions and we try to avoid things like that, try to be on top of things and in front of the curve, but I don't really know the answer to that hypothetical. I just -- the --

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: If we are going to be timely on this, if we decide to make a change and it takes a couple weeks, we should -- we should -- we should be good I -- I would guess.

Dickerson: Yes. Thank you so much, Mr. Mayor and Councilman Hoaglund. Absolutely. We have to issue extensions on this quite often. In fact, we just wrapped one up in another area that the extension lasted for well over a year. So, if for some reason we needed to re -- you know, open the books on this we could certainly issue an extension that would cover in that meantime. And, really, the purpose there is for us not to have to forgo those franchise fees that would be due to the city to allow those to continue while we continue the negotiation. So, should we go down that path we have a -- a mechanism to do so.

Simison: All right. Council, anything else? All right. Thank you very much.

Dickerson: Thank you so much.

19. Community Development: Linder, Franklin to Overland and Black Cat at McMillan Cost Shares

Simison: Thanks, Paris. Nice to see you. So, Council, what's -- what's your pleasure? Does anyone need to take a break before our regular meeting or do we just keep moving forward and try to -- okay. All right. Then with that we will move on to -- back to Item 19, which is community development, Linder-Franklin to Overland and Black Cat and McMillan cost share. Miranda, the time is yours.

Carson: Thank you, Mr. Mayor, Council Members. I wanted to bring before you the Linder Road overpass, a little bit of an update on the project design and get your input on some aesthetic options. So, standard with ACHD we submit a cost share application and enter into a cost share agreement on transportation projects for any nontransportation components is what they call them that we ask for. So, the standards will be in those applications and in those agreements and in addition to those standard requests we wanted to get your input on some landscaping and aesthetic options. When I came before you in 2021 -- I know that was a while back to talk about another landscaping option, the desire of Council at that time was if there were opportunities in long corridors or in entryway corridors that we would come back and you would entertain those landscaping options again. So, in this case both Linder Road overpass and Black Cat-McMillan project are projects that could fall into some of those long corridors if we decide as a city to do some landscaping -- to partner with some landscaping on those. So, I will talk to you about the Linder Road options and, then, Caleb will come up and talk about the Black Cat options. But they kind of overlap on the procedures for those, so we just wanted to bring them together for the sake of your time and the public's time. So, on Linder Road over -- I'm sorry. The Linder Road overpass project on the widening and on the overpass itself -- and as we have -- our task force and they formed an aesthetic subcommittee and that aesthetic subcommittee met a few times and reviewed several options for aesthetic improvements to that project and of the options that they discussed they recommended that I come before Council to explore landscaping in some center medians, some buffer areas that are between the sidewalk and the vehicular lanes and also some custom concrete stamping on the MSC wall and the pedestrian barrier walls. So, on those center medians -- I'm sorry. On those buffers -- in this case there are four foot buffers and -- see if I'm driving here. Okay. Sorry, this mouse is -- so, those are four foot buffers. Like I said, they are between the vehicular traffic and the multi -- multi-use pathway. So, those buffers -- in the past we haven't had an option to do anything in those buffers. The thought was that the area was too narrow to allow any kind of landscaping. It would burn up in our climate. We have been working through a planning effort to produce a landscape matrix and through that effort the planning and the park staff thought that there may be some option in the future when this goes into construction to landscape that with some low maintenance, low water type vegetation, and also be aware that when I say landscaping I don't always mean shrubs and greenery, sometimes we are talking about some boulders and some rocks and concrete that would kind of intermingle with those -- that greenery and give us some low maintenance options. So, that softens the roadway. That would be here in these areas that you see and for the full project that buffer will continue from Overland all the way to Franklin. It's this blue area here on -- this is an older design -- design presentation, but that buffer will continue all the way to Overland through to Franklin and it's this blue line here on this rollout. The only exception will be,

of course, that there won't be a landscape buffer across the bridge. So, then, looking at the center medians, this is the area between the Overpass and Franklin. There won't be any center medians between the overpass and Overland, but between the overpass and Franklin there is a small area before Verbena that will not be landscaped that is too narrow, but there is some longer areas approaching the PHP for the school -- just to orient yourself, this is heading north towards Franklin on this side along Linder. So, we have a couple opportunities here for some long center medians and in your packet you can see an example of what's being done or proposed at Ustick. It's a intermingling of some meandered concrete stamping with some semicircular vegetation areas that would also incorporate some low maintenance and these provide vertical relief and aesthetic value. They have a tendency to slow traffic down and provide some relief to street islands. There is lots of different benefits to these kinds of medians aside from just the aesthetics.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Miranda, is it okay to pepper in with like --

Carson: Yeah. Go for it.

Strader: Thank you so much. So, back in 2022 I know Mike Barton worked really hard with -- it was dragging desert landscaping to help come up with a plan for one of our roundabouts that had like drought tolerant plants and that helped us avoid having to put in irrigation costs, et cetera. I was just curious if we have considered a similar approach to the landscaping here, if it wouldn't be too much trouble to hear from him how that worked out and if we are kind of thinking about that as a possibility, as opposed to, you know, full irrigation with trees, et cetera. So, I wanted to throw that out there.

Barton: Thank you, Mr. Mayor. Good -- good question. I didn't know that I was going to give an update on a previous project, but, yeah, I'm glad you asked, because both those roundabouts are complete. What -- what we found with those that the plants that Dragon Wing Nursery has that are native to the foothills are in really really small sizes. So, we had to source those elsewhere and just due to contractor availability and the timing of the project, we tried to get stuff in in the fall. We were thinking we could and -- and, then, it would be rooted and established itself. So, what we did is we put in an inexpensive kind of a temporary drip system, point source emitters in there to establish these plants. So, yes, but not exactly the way that we talked about it in that Council meeting and over time the plants become more and more drought tolerant. So, yeah. And -- and if there ever was a need to replace some of that material there is available water. It's our plan to just turn it off eventually, but -- so, that does play into some of this. There is additional cost in some of those temporary irrigation systems, especially for trees and that kind of stuff, but we have -- we have ways I think with what we have been working with to minimize water consumption, reduce maintenance, reduce the hazards to staff being in the center medians and, you know, I think we have a good plan

with the Ustick Road median where there is 50 percent of it is stamped concrete. We have some boulders out there to protect some of the vertical elements, the trees. Doing things like keeping the -- the irrigation away from the curb, so it doesn't get run over. Just having -- having plant material that's super low maintenance, you know, we want -- ideally we only go out there twice a year.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I really appreciate that, because these are significant investment and it does make a big difference on cost from what we looked at even one year ago and I recall that the Ada County Soil and Water Conservation District had grant funds available for these types of projects. So, I don't know if we have explored that here, but I'm just kind of throwing that out there, that that is something that's come up and, you know, certainly couldn't hurt to help have that subsidized, if it's available. So, it sounds like you guys are putting some thought into drought tolerant stuff, it's low maintenance and not like we are going to put huge swaths of turf out there or something ridiculous, hopefully.

Barton: I wouldn't do that, you know. No. I mean, like I said, ideally, you know, it's low water consumptive, low maintenance durable things and -- and if you can take up a lot of the space with nonliving plant material, but still give it a little bit of variety and -- and interrupt some of those wide sections with -- with synthetic elements, I think it's very attractive.

Simison: And I think just from at least the 15 years or so that I have been here I don't think that we have put turf anywhere in or around a roadway project that I'm aware of. We will still have to have places where we have to pull trucks off -- even Meridian or others, but not turf. So, I don't think that's in consideration. I don't think ACHD will allow us to put turf in certain places anymore. Which is fine, too, but --

Carson: All right. So, Mr. Mayor, Council Members, I appreciate the question about the investment, because that was my next point. ACHD has agreed on the Ustick project and on this project to give us a cost credit. So, in the past when we have kind of talked about these there has been a discussion that ACHD would have put in concrete stamping. If we want to put in something different, then, we pay for the something different outright. Recently we have had conversations with them that -- it's being implemented at Ustick, they have agreed on this one -- that they will do a cost credit. So, anywhere that they would have spent money for the stamped concrete, they will credit us the cost of that stamped concrete that we can, then, put towards the landscaping.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: On that note, the estimates -- the numbers that you have today, given that this -- the -- the -- the project isn't even funded yet, is that -- do you anticipate those significantly changing on both sides -- both the credit and the cost quotes that were received by the engineer?

Carson: So, that would probably be a question more for Mike, but from our conversations of trying to gauge cost and especially at the time this was written not having an idea when -- when -- when Linder would be constructed, it's really difficult. It's -- we don't have a crystal ball to know what that landscaping is going to cost in two years even. On Ustick I can say we got about a 12 dollar credit for per square foot on the landscaping. I don't know what the cost will be when that's installed though.

Simison: Since you -- since you mentioned you want to mention anything about when this project is -- at least tentatively moving forward?

Carson: I will excitedly tell you that the most recent integrated five year work plan draft that came out yesterday, the initial draft does have this project instruction for 2026. So, hopefully, we will -- we will get that through and we are working on some stuff to get ITD on board as well to get their portion in, so -- if there is no other landscaping questions I'm going to move on to the stamped concrete. So, when we look at projects like this we -- when we look at projects with overpasses there is the conversation of whether you do a -- a full wall on both sides of the overpass. This is a better picture here. Whether you do the slope, which is what you see on the south side or whether you would do a full MSC wall, maybe you do half of it -- half height MSC wall and, then, a slope. So, on this project it was something that the project team discussed at length at multiple meetings. The decision was made that on the south side there would be slope and on the north side there would be MSU wall and the reason for the MSU wall is to reduce the impact to neighbors and to reduce the visual impact of the -- that slope oftentimes ends up being a slope that's not well maintained, it's extremely difficult to maintain, and so in this case we have got a neighborhood that's well established, with well-established trees that can kind of hide that MSU wall. We don't have to take their trees. We don't have to relocate the pump facility. So, there was a decision made to do an MSU wall on the north side. With that decision comes the decision of what do you put on the MSU wall. If you leave those walls flat you tend to open yourself up to graffiti artists. So, that's anecdotal. I don't have any evidence of that. But anecdotally flat walls that I have seen have graffiti. Stamped walls don't typically have as much graffiti. So, this -- the standard stamping that we chose for this project -- the aesthetic team chose was the stacked rock form liner and when I say form liner I'm just talking about a stamp that goes onto these MSU walls. Just a fancy word. They don't like arts and crafts I guess, so they call it a form liner. So, the standard that we picked was stacked rock and, then, we discussed if we wanted any custom stamping. So, similar to Ten Mile -- Ten Mile overpass there is a river rock pattern that runs along that was custom stamped. That's something that if the city wants we would put up the funds for that custom stamping. The standard would be included in the cost of the project. So, the custom stamping we got a quote from Forsgen, which is the designer for the bridge. There is lots of options on where that custom stamping could go. We have multiple walls in this project, so we

have the MSU wall that I just discussed and explained. Then we also have a wall for pedestrians that's on the pedestrian side here. You can see there is a small wall that pedestrians will have on either side. So, one thing the esthetic subcommittee was interested in was having some options here for the pedestrians and, then, also having some options on this wall and on this wall for the vehicles to see as well and, then, on the exterior of this smaller concrete wall. So, the costs for those are included in your packets. The costs include the stamping and custom color for the river rock pattern. The idea was kind of that this is a north to south corridor that will run from the river all the way up to the mountains. It will be the longest corridor in Ada county -- continuous corridor. So, that was kind of the theme that we went with when we picked that. It also mirrors well with the Ten Mile interchange. This will not include the custom stamp at Ten Mile that has the family holding hands. This will just be the river rock pattern. So, I just wanted to get Council's interest on partnering on that stamping and on the landscaping.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I think it's fantastic. I think it's a long term commitment. You get one chance to do this right. We had this conversation with Ten Mile, among others, and I think the work and recommendation of the group that's been tasked with doing it is spot on. So, to the extent it's a cost share to invest in this as described it -- I think it makes sense both as to the landscape and to the stamping.

Carson: Thank you.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I concur with Council Member Borton. We got a good reputation of taking ownership for, quote, unquote, our assets and I think this is no different.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I -- I like the concrete stamping and think it's important if we are investing in a project this big that it look attractive and appropriate. My only request would be as you go through the process on the landscaping pieces, just that you explore a little bit if Ada county soil and conservation does have grant funds available, couldn't hurt to check that, maybe they don't, maybe they do. We will find out. And just, you know, sticking with that water wise landscaping that we have been pursuing it sounds like in the past. I think that's important. I think that will be successful in the long run. Did have a quick question. On the slope that's not being stamped, is there an option to -- to put some type of vegetation there? Usually they just become an eyesore

with a bunch of weeds and -- and, yeah, I had chatted with Director Siddoway about at some point -- you know, there are some like native sunflowers and some pretty hearty, you know, kinds of things that might take root, something like that. Have we looked at that at all?

Carson: Mr. Mayor, Council Members, so that is not something that we have looked at on that slope. ACHD has -- is the party that maintains those slopes and they did say for the -- for the slope -- of the slope -- sorry. For the slope of the slope that this would be extremely difficult to maintain. One option we could explore, if the Council is open to partnering on that, is we haven't looked at rocks similar to how we have at Meridian Interchange. We have some just big boulders on the slope. Those look nice. Perhaps that's something we can partner with ACHD on. I'm happy to explore that with them, but at last conversation that area was going to be too steep to -- to put any vegetation on.

Strader: Thank you.

Simison: I am happy to purchase a bunch of seeds if someone can -- from that standpoint. Okay. Council, any additional questions or comments?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I agree with my fellow Council regarding the artwork. Oftentimes when folks are coming from a different area that is one indication of the community. I mean I pay attention to that when I'm going to a new city. Interestingly enough is what do their overpasses look like? It's kind of funny; right? I think we all do it and don't realize we are doing it, but it does make a huge impression. So, yeah, definitely want those to look nice and well kept. And I'm guessing with the slope that they would have a tough time mowing and spraying for weeds. They just want to do like a thorough weed control type of thing. But the rock -- rock sounds like a great idea that something that represents our city would be fantastic there. I do have a question related to the -- the -- the vegetation strips on the north side of the bridge. I haven't seen -- I don't see those on Locust Grove overpass. I haven't seen those in other overpasses. So, is that something that is a change in ACHD's standards for the -- the type of road it is or was that something that we requested or how did that come to be?

Carson: Mr. Mayor, Council Member, so the vegetation strip would not go over the bridge, if that --

Perreault: Oh.

Carson: So, that is something that we -- we prompted ACHD on, because of the landscape matrix planning effort that Parks and Planning are working through to see what our options are out there. There is still a chance that they get through that planning effort and there is not a lot of options. But right now the two staff members that

are working on that -- or the three staff members that are working on that believe that we will have some option in that buffer and ACHD is always happy to partner on that. And, then, on your note about art, I wanted to mention as well that the fencing that will be along the overpass will be the same fencing that's at the Meridian Road interchange and it will have -- we will have opportunity that's being designed, so that we can add art similar to the Meridian Road interchange in the future if we desire.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Excellent. That's fantastic to hear. The -- the vegetation strips are maintained by the city; is that correct?

Carson: That is correct.

Perreault: Is there -- cost aside -- additional cost aside, are those really challenging to maintain. That might be a question for Mr. Barton, but it seems to me like they wouldn't -- that wouldn't be the easiest thing for us to do from a labor standpoint. So, I'm curious what our balance is between the value added from an aesthetic standpoint and what the -- the involvement is to maintain them.

Barton: Good -- good question. The -- the higher volume road and the higher speeds make it more difficult and then -- then if you factor in just more greenery it's more difficult. So, all those things kind of add up to a level of difficulty that -- and, then, it gets maybe to the point where it's not worth it. So, Ten Mile interchange, for example, the medians there right now it's -- the speed limit is 45 miles an hour and there is plant material out there that started out really great and over time it just kind of disintegrates. So, we have learned a lot of lessons through those -- those types of projects where we want to -- we want to incorporate stamped concrete and rocks and, you know, some of those nonliving type items in there. If we can put plant material in there where we -- we only need to go and maintain something once or twice a year, that's a benefit and, honestly, I think Locust Grove, even though it is an overpass, it's -- it's not going to have the volume that Ten Mile Road does, so -- if we were talking about a new interchange at Eagle Road and putting landscaping in the middle of that, I would say no. Too much maintenance.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you for that information. Has there been -- it's prompted a question I have never really thought about. Has there been any issue -- and I live near that -- the Ten Mile overpass, so I have seen that progression of change in the -- in the -- how the plants have fared. Is there any issue with that vegetation of sparking fires in that or is their fire retardant -- I mean they were pretty lush at the beginning and like, you know, I

did have concerns about chains -- chains that were sparking on the ground or anything, just pure heat that's going to -- is that going to be a factor?

Barton: Haven't had a fire out there. We have had everything else. It's been run over and, you know, irrigation breaks and stuff like that, but no fire.

Perreault: Okay.

Overton: Mr. Mayor?

Simison: Councilman Overton.

Overton: I'm a big fan of the concrete stamping. I think it makes a statement for how it's going to look as people come through our city. But I also want to make a comment on those medians, because I have been in a lot of conversations on the ones that still exist on Ten Mile Road and the challenges those are now giving us when something does break and we have to go all the way outside of Ten Mile and go through the road to get a replacement. So, I would still like to see us go with some sort of a -- either nonvegetation or the vegetation you were mentioning that ends up being zero use of water.

Simison: Council, any additional questions?

Hoaglund: Mr. Mayor, just to wrap this one up, we have some walls at Ten Mile and working on that the design and its discussion and, you know, everyone has ideas, but it came out really well. So, I think that stamped approached and doing the design work it's -- it's worth it and I agree with my fellow Council Members it's something we should move forward with.

Carson: Thank you. And I will give it to Caleb, he has some updates on Black Cat and McMillan.

Simison: Well, that's going to have to wait a few minutes. But thank you, Miranda.

Carson: Thank you.

EXECUTIVE SESSION

21. Per Idaho Code 74-206A (1)(a): To Deliberate on a labor contract offer or to formulate a counteroffer.

Simison: So, with that, Council, I think we have a plan to bring Caleb in into the regular meeting from that standpoint, but with that do we want to -- do we need to vacate Item 21? I don't know if we just don't go into it or --

Starman: That's fine if we want to vacate that and we will take that up -- we had that on the regular agenda, so we can vacate that item for this agenda, take it up during the regular meeting.

Simison: Okay. So, with that do I have a motion on Item 21?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move that we vacate Item 21.

Borton: Second.

Simison: Motion and second to vacate Item 21. Is there any discussion? If not, all in favor signify by saying aye? Opposed nay? The ayes have it and the item is removed.

MOTION CARRIED: ALL AYES.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Move we adjourn.

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

MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT 6:10 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK