<u>Meridian City Council Work Session November 19, 2024.</u>

A Meeting of the Meridian City Council was called to order at 4:30 p.m. Tuesday, November 19, 2024, by Mayor Robert Simison.

Members Present: Robert Simison, Luke Cavener, Liz Strader, John Overton, Doug Taylor, Anne Little Roberts and Brian Whitlock.

Other Present: Chris Johnson, Bill Nary, Caleb Hood, Todd Lavoie, Mike Barton, Garrett White.

ROLL-CALL ATTENDANCE

__X__ Liz Strader	__X__ Brian Whitlock
__X__ Anne Little Roberts	__X__ John Overton
__X__ Doug Taylor	__X__Luke Cavener

___X___ Mayor Robert E. Simison

Simison: Council, we will call this meeting to order. For the record it is November 19th, 2024, at 4:30 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.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I move that we adopt the agenda as published.

Overton: 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 November 6, 2024 City Council Work Session**

2. **Approve Minutes of the November 6, 2024 City Council Regular Meeting**

3. **Hadler Subdivision No. 1 Sanitary Sewer and Water Main Easement (ESMT-2024-0160)**

4. **Final Order for Prescott Ridge Subdivision No. 5 (FP-2024-0019) by KM Engineering, generally located 1/4 mile south of W. Chinden Blvd. on the west side of N. Rustick Oak Way**

5. **Final Order for Briar Ridge Subdivision (TECC-2024-0003) by Kent Brown, Kent Brown Planning Services, located at West side of Meridian Rd. between W. Lake Hazel Rd. and W. Amity Rd. directly south of the mid-mile point**

6. **Findings of Fact, Conclusions of Law for Raising Cane's Council Review (CR-2024-0002) by Lynzey Uechi, East River Valley St., LLC., located at 2700 N. Eagle Rd.**

7. **Findings of Fact, Conclusions of Law and Order of Denial for Rolling Hill (H-2023-0070) by JD Planning and Consulting, located at 1560 Rolling Hill Dr.**

8. **Memorandum of Understanding between the City of Meridian and Firehouse Subs Public Safety Foundation for acceptance of the grant awarded to the City of Meridian, on behalf of Meridian Fire Department for Rope Rescue Equipment (including Freight up to $450) valued up to $25,680.60**

9. **Agreement Between Meridian Youth Baseball and the City of Meridian for Priority Use of Sports Facilities during the 2025 Season**

10. **Agreement Between CapEd Credit Union and the City of Meridian for Sponsorship of 2024-2025 Water Tower Championship Competition**

11. **Approve Task Order 5040.0200.d to Brown and Caldwell for the Not-to-Exceed amount of $613,200.00 for the Wastewater Resource Recovery Facility Biosolids Dryer project and authorize Procurement Manager to execute the Task Order and issue the Purchase Order for the Not-to-Exceed amount of $613,200.00**

12. **Approve construction contract to The Ewing Co. for the Not-to-Exceed amount of $5,797,532.00 and authorize Procurement to execute the contract and issue the Purchase Order for the Not-to-Exceed amount of $5,797,532.00**

Simison: Next up is the Consent Agenda.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

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

Overton: Second.

Simison: I have a motion and a second to approve the Consent Agenda. Is there any discussion? If not, all in favor signify by saying aye. 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]

13. Finance Quarterly Financial Update - November

Simison: So, we will go on to Department/Commission Reports. First up Finance -- Quarterly Financial updates. Mr. Lavoie, nice to see you again. Yeah. I think it's been a month.

Lavoie: It's been a while, Robert. Good to see you. Good afternoon, Members of the Council. Again, appreciate you allowing me to present this topic to you today. So, let's see if this is working. Okay. We are good to go. So, again, today's agenda is we are going to talk to you about our November finance quarterly update. This e-mail was presented -- or this data was presented to you on November 5th via e-mail. So, what we are doing is we are just going verbally over what we have presented to you and happy to have any discussions at any point in time about the topic that is being discussed, which is primarily -- primary -- property tax. So, anytime, please, interrupt me. Go ahead, let's talk about it. We want to use this as an educational opportunity for anybody on any of the topics that we are discussing tonight. So, again, we will go over Property Tax 101. We will talk about the levy rate. The state and the county have issued our levy rate for the upcoming year. So, we will talk about that. We will talk about the property tax burden. Our property taxes come from primary -- primarily residential, but also commercial. I will kind of introduce you to that concept and, then, property tax comparisons and, then, we will also talk about what our next quarterly update is and, then, I believe Luke is online. Luke and I have been working on an idea to have finance or any other department present other topics to you. So, we are going to introduce that kind of concept to you at the very end. Luke will give some thoughts on that concept as well. So, that's the agenda for today. So, first off was Property Tax 101. The state mandates and controls basically everything we do within property taxes. They do have a code that we have to follow. You have heard about the -- you know, the three percent rule. Again, that is a state mandate. We can only increase our property taxes by three percent. The state mandates that. And, then, a few years ago they increased -- or introduced a concept of, yeah, you can increase it by three percent, but your total total total can't increase by more than eight percent. So, that's been in place for three years and we do have some code here, that's 63-8802. So, again, that is what mandates us on that perspective, which we follow, and, then, I threw in a separate code in there, 63-301(a). This is new construction. This is where the county assesses any new properties that have come on the roll since they last issued the property tax roll to us and we get to treat that as new resource revenues. Again we will talk about that concept a little later. But, again, one of the -- add that code in there that the state and the county control that as well. So, the only thing so far that we really control is the three percent. Everything else the state kind of controls. We have four major components that we use to manage our property taxes. The first bubble is what we call base property taxes and this is determined by the state's code that we can reference our highest amount of property taxes collected over the previous three years. So, we get to choose that. Historically we have always chosen the highest number, because that is what we have selected to cover the base for this current level of service today. So, for fiscal year 2025 we have determined how much money we need to provide the citizens a service level of today and that includes so much property tax. Usually you asked us to continue that level of service the next following year, so that means I need the same level of property taxes for this year for next year. So, traditionally we have always taken the highest level property taxes, because that's the level of service that you have asked us to provide to your citizens. So, that is what we call our base property taxes and that's going to be the highest property taxes collected over the previous three years. The next component to our property tax calculation is allowable property taxes, which is the three percent. That's the one lever that you have that you can select zero to three percent on an annual basis. You have heard -- you have heard me long enough for years I tell you to take the three percent every year. I will continue to stand on my soapbox and say take the three percent every year, because that's what we use to cover cost of doing business, merit increases, step plan increases, health benefits, fuel cost -- that's the management guidance that I have provided the City Council over the years and I still believe that is the right guidances, use that three percent to cover the cost of doing business for the City of Meridian. The next one is new construction. Kind of reference that on a previous slide. This revenue source is created from the new properties added to the role since the last property tax roll was conducted. So, that means we now have a new impact to the city that we now need to service. We get new revenues to cover -- in theory we get new revenues to cover those new impacts. That's a business approach and management approach I have guided you is if we have a new impact to use those revenues to get new resources to provide the services for those new impacts. That's the guidance I have given you. Again, we have been able to do that in the past, so if we get new resources we use that to usually get new firefighters, new police officers, new communications people, new finance people, that's the normal practice that we have done in the past and I will continue to promote use new construction to pay for new resources to provide for the new impacts to the city and, then, the fourth component is new annexation. This is nominal at this point in time in our city's life cycle. Fifteen years ago had a much more impact. Now it's

30 grand a year, so it's not really too much of an impact, but it's the same concept, when you have new land that comes on to our property role you get that value, but right now it's pretty nominal at 30,000 dollars a year. So, can't really do too much with that. Add all those things up that is what we get to total property taxes. Fiscal '25 is the first time we added a new component. I did not put that on the bubble here, but that's called foregone and I don't think we want to make that a practice, but, again, we made the right decision for fiscal '25, we needed it for the public safety needs, but you could add another bubble there called foregone, but, again, I did not include that in there, but you could have that as a component of revenue source for property taxes.

Whitlock: Mr. Mayor?

Lavoie: And on this slide I think I did add it on there from a --

Simison: Todd, just one second.

Lavoie: Oh, yeah. Sorry. Sorry. I apologize.

Whitlock: If you don't mind if I just interrupt as you go. How true is that statement that the three percent maintains the level of service given inflation and everything else that point --

Lavoie: When you say how true is that statement, again, we have promoted that practice and we have been managing with that practice to the best of our ability, but are you saying -- I mean when you say how true is it --

Simison: How do costs compare?

Whitlock: Yeah. How confident are you that --

Lavoie: Oh. I can tell you right now there is -- there is no way three percent covers our cost of doing business anymore. Our payroll alone -- when you do -- our payroll alone for public safety is higher than property tax value itself. So, this year's property tax number for 2025 is 50 million flat. Payroll alone for public safety is greater than 50 million. So, in theory if you gave them a three percent increase and you get a three percent increase from property taxes, which is a lower number, you are already working on a deficit situation. These last two years is the first year we had that in the last 15 years occur. So, we are now in a new phase of our city's development or lifespan. So, it's brand new to -- it's kind of new to us. We had this about ten to 15 years ago, but now this is a new component that we have to manage and -- accordingly, but it won't cover it, hence, why I always said take the three, because I'm already at a negative situation. But that's a fair question. So, with that we have gone over the concept of how we manage -- how we promote the management of financial resources for property taxes. So, for fiscal 2025, the budget we just passed, your base property taxes is 47.6. Allowable was three percent or what we call the three percent. We did maximize that opportunity this year. So, we get 1.4 million dollars. Brian, as you stated, does that cover everything? The answer is no. Are we are going to have to find other ways to finance those other things? The answer is yes. New construction. So, this is, again, the new impacts to the city. We have new people moving in. We have new businesses moving in. They expect the same level of service. All right. Let's use this new money to keep that level of service going. We got 1.3 million dollars of new dollars, new annexations 46. In that last component is foregone and exemptions. The state mandates that we have some exemptions in there for different property types. So, they actually do a reduction in our collections of property taxes, but we did ask for about half a million dollars this year. So, when you net it out to two that is what we get from foregone and exemptions. At the end of the day the county did approve our 50.7 million dollar request for property taxes to be collected on our behalf by them. So, with that in total property taxes for the City of Meridian, how they, then, calculate a levy rate, they take that number, they do the mathematics and figure out how much property we have of value above the dirt and, then, they say, hey, this is your levy rate. So, they calculate the levy rate, then, they apply that levy rate to every taxable property in the City of Meridian. So, again, that formula stays the same, but I'm going to apply the numbers. So, there is your property tax that we got approved, that 50 million. The county has currently calculated the value of the City of Meridian above dirt is 24.9 billion. That's the value of it. Do simple math and it gets you to a leverage rate of .00203. That is your levy rate for the next fiscal year -- or calendar year. It's already on your tax assessments. If you go to the assessor you will see it's there. But we are at .000203 for the upcoming year and I'm guessing the question is that good, is that high, that's low -- it's a year over year reduction from last year and you can see over, you know, the last -- since the last 21 years, you know, during the great recession it went up, then, over the last many many many years it's been going down on the downward trend and we don't see too much change unless we have another economic situation. The downward trend should continue to occur for the next foreseeable future. So, I wouldn't be surprised if your -- if our leverage rate is below two next year based on where it's at right now.

Taylor: Mr. Mayor?

Simison: Councilman Taylor.

Taylor: Todd, quick question.

Lavoie: Yes, sir.

Taylor: So, long term trend going down, is that because the value of the property within the city is outpacing the rate at which we are collecting property taxes?

Lavoie: Correct. Yeah. You are a hundred percent correct. The largest impact on levy rate is the valuation that the county gives us. It's -- again, we can only increase our property taxes so much, but if values go up 20 percent your home may have gone up 20 percent this year, yours might have gone down three, yours -- my -- I mean that will have a larger impact on that number calculation than us increasing it eight percent in my opinion. The assessor may have a different opinion, but my opinion is if the values go up 22 percent and we only increase our property tax by eight, the larger number is 20 percent, not eight, and that will have a larger increase on that. Yeah. And this next slide I think will support your arguments. The line bar is your levy rate. The bar graphs are how many times -- when you took the three percent or not. So, you will see kind of right in the middle there you had three years there where we didn't take the three percent, but what happened to your levy rate? The property value of Ada county had the bigger determinant factor on the levy rate than we did. We didn't increase the budget, but the levy rate went up. I know it's counterintuitive, because I make the argument that the valuation that Ada county gives us has a larger impact on the levy rate and, then, after that slide you will see that we have taken three percent or a percentage of something majority of the time, but your levy rate goes down. Wait a minute. I thought we increased property taxes, because the valuation that Ada county gives in my opinion has a larger impact on the mathematical formula at the end of the day, regardless of your discussions here that, you know, we are not going to take the three percent, we are not going to raise your taxes, that's an impossible statement for us to make, because we only make up 40 percent of a levy rate. So, again, we can't say that, because your house might go up eight percent, yours goes down two, yours is up 20 -- well, two-thirds of your customers are -- just had property taxes go up. So, we can never make the statement that, yeah, we -- by not taking three percent your property taxes will go down. That's impossible. So, again, this I think supports what you are talking about. Yeah, the county has a bigger impact on it, because we can see we take the three percent, but the levy rate keeps going down for some reason, because the levy rate -- the value -- total valuation trumps the three percent at the end of the day. So, what that total taxable value -- kind of what you were talking about, Brian, I guess, is the city has done well. There is a lot of valuation. This is all controlled by the county and all controlled by the economic environment that is out of our control. This is where your city stands at evaluation standpoint and it goes exactly what you are talking about, Doug, the valuation is going -- the levy rate goes down, because this bar keeps going up and I don't see it really changing much. Yeah. We had that correction last year, which we knew was going to happen. They were trying to do some tax relief. This year just got caught -- we caught back up real quick. So, another -- so, again, I'm just going to give -- go through these slides pretty quickly. This is your base property taxes over a year. It's -- again, we are always going to take the previous year's most likely, because that's a level of service that you have asked your departments to serve. We can't really go to a lower level or you just have to start cutting services. Allowable property taxes. Again, this is the three percent. We don't take it every year, but when we do take it you can see the kind of -- the numbers are a little bit higher. This is the slide that you have heard from me in e-mails. The concerning one. This is your new construction. This is what we use to pay for new things in my opinion on how we run the city's financials. You know, after we paid all the bills, after we paid everyone's salaries, made everything, this is the new stuff. Okay. What do you need new? Oh, we -- we had 10,000 new people move here. Let's get some police officers. Let's get a park. Let's do something. This is in my opinion what pays for that. Unfortunately, it's on a downward slide, it's going to continue to go on a downward slide in my opinion. So, that means we have less to work with and my concern, my opinion, my thoughts are we just have to -- I think have a few more discussions in the future how we are going to manage this new revenues, unless we can find some other new revenue sources to help pay for our new ongoing needs and these are all ongoing dollars. That's a good thing about this. This is new ongoing dollars. But, unfortunately, it's at a declining rate and we progress -- we project it's going to continue this kind of pattern for the next number of years.

Simison: And Todd -- and that's at 90 percent of what the new construction value would normally be based on the lower levy rate, so it's almost in a lot of ways 50 percent of what it could have been if things were different with our levy rate.

Lavoie: Yeah. We are getting hit twice, 90 percent plus a lower level rate, and so every time our leverage goes lower and lower, you are right, Robert, we just get hit less and less and less unfortunately. Yeah.

Simison: Or more and more and more.

Lavoie: Yeah. So, again, not a great thing for us, but, again, we will manage, we will live with the -- within the means that we have, but that's our new construction and, then, annexation -- as I mentioned years past it was great, but, again, we -- we have now annexed mostly everything and so it's become a nominal value for us to really concern ourselves with. It's 46 grand this year. So, you put it all together this is your total property tax sources. Again, if -- it's going to grow every single year. The city's grown every single year. We continue to open, you know, stations and parks and things like that. These are the necessary resources to keep the services where our citizens want them. So, with that that gets us into the next concept called burden management. The county tracks all of our properties for us by type and the types that they track for us are commercial, farm, manufactured homes, operating -- you can see the list there. Majority of our revenue comes from residential. We know what our city is. It's residential. The next biggest source is commercial. You can see everything else is very nominal. The next slide just shows you of the hundred percent kind of view of it, so this year we are receiving 68.3 percent of our revenue from residential and 29.8 percent from our commercial. That pretty much makes up a hundred percent. The largest --

Taylor: Mr. Mayor?

Lavoie: Yeah.

Simison: Councilman Taylor.

Taylor: Real quick. Is there -- just looking at these percentages, you know, we are about 70-30 for the most part, is there a -- sort of a healthy balance that, you know, you would understand to be like we want to be 65-35 or 70-30 is good or -- is there any indication kind of out there in your world of management?

Lavoie: Unfortunately there is not that, again, within the state. There are some states that are 98 percent commercial and two percent residential. It all depends. I think one example is kind of where the Chobani plant is. I think that's -- that area is mostly -- that city is mostly just that plant, but, then, the residential is kind of outside of it. So, they are completely shifted, you know, and I think Boise is going to be probably closer to probably 40 percent, 50 percent commercial, because they got downtown, high value properties. So, there is no magic equation. It's -- what the city has is what the city has. No mathematical perfect situation. Unfortunately.

Simison: Well -- and I will take a different stab at that in a different way. I think if you go back and you use this chart, you look back over the times legislature has made adjustments or not adjusted the homeowner exemption, it almost looks at about a 70-30 area where we tend to have a -- residence not fill the -- the increased burden in a lot of ways. I mean you can almost track this with changes in the legislature in a lot of way and the one from the last two years is a change in assessor and some of the assessments that has created a little bit of downward shift in that. So, you know, is it the right mix? I don't know. But it is definitely that mix about 70-30, the traditional exists from -- what I would say these -- when you look at legislative changes and the indexing to homeowners or not and making those type of changes.

Lavoie: Again, that's -- again, we -- we do track this. We want to, you know, make sure that we don't have any deviations too great or too -- too not great. So, again, we just track the data and it's -- this lets us know that, you know, our residential -- our burden still is fair. Next item is -- this is your levy rate -- or not your, but residential properties within the City of Meridian are going to have this levy rate on their next bill. Again, this is on the assessor's office. You can obtain it now for this next upcoming year. We make up 40 percent of the bill, with the county taking 31 percent at the next one. So, again, I made the statement that, you know, we can never guarantee anyone lower taxes or higher taxes, because we only make up 40 percent. If the school district wants to pass a bond, well, you have no influence on that. So, again, for us to say we can lower or not lower taxes, just know that we only make up 40 percent of the tax bill.

Simison: And, Todd, maybe leave that up for a second -- is traditionally city, county and school with the bonds were relatively equal in the percentage of the tax burden, but, obviously, with the bonds being paid off and stuff it's definitely shifting your tax bill to be -- where a greater percentage with the school district is falling off. So, even from a visual on that percentage could impact people's perception of our tax base and rates.

Lavoie: Very fair. Yep. Like I said, if the school gets another bond passed, well, then -- then percentages change again. This is our property tax comparison. Again, we provide this data in other e-mails as well. We do track six homes. We have been tracking them for -- since I think 2006. This is our most recent property tax evaluation per Ada county. So, of the six homes our average home price is 490,217 dollars. The average change in market value that we saw for our six homes was 21,633 -- 21,633 dollars in the positive. So, we did go up year over year for our residential comparison percentages. These are the individual homes. You can see we had .1 to 9.3. So, again, the .1 home, they are going to have lower taxes. .1 is less than the levy rate increase that we saw, so they are going to have lower taxes, but the 9.3 is higher than the levy rate decrease that we saw year over year, so, therefore, they are going to have more taxes. So, again, for that -- that discussion of everyone has a different experience. Average home price was up 4.61 percent in that comparison. This is the City of Meridian taxes only against in 2006. Using our averages of up to six properties, the average home paid 458 dollars a year for the services provided to them by the City of Meridian in 2006. 2024 it's going to be 74,250 on average. That's 62 percent almost over 18 years and I think if you do the math that's like two point something percentage on an annualized basis. So, right around inflation. So, again, that's where the residentials -- City of Meridian portion -- again, not the total, but City of Meridian portion of taxes. That's how it looks for an average home. Total property taxes. If you take the whole bill itself, again, it's gone up 2.20 percent since 2006. Divide that by 18 and it's nominal. So, four people -- when you have your discussions with your property tax, your homeowners out there, and their property taxes haven't increased since 2006 and I would make the argument they haven't. Have they gone up and down? Sure. All depends when you buy it. Sure. But from our six homes that we analyze you can see from 1,782 to 1,818, that's not a ton, but that's your total tax bill, not just us alone. We also do this for our commercial. We track I think 11 properties in commercial. Average commercial property in our collection of data is 11 million dollars. The average increase per property was 88,456 dollars year over year and, then, this is their annualized year over year. Again, four properties had zero percent changes. Again, commercial that's much more difficult, kind of like Robert was talking about, commercial is a -- kind of a fun thing for Ada county to have to manage, hence, why Robert made the few comments. So, you see the fluctuation of burden changes. Four of them got zero changes, whereas almost every property and residential went up 1.9 percent increase on average on the 11 properties that we track for commercial. Residential is 4.61. So, you can see there is a three percent gap between the two property sources that we have. With that, again, if you only go up one percent your year over year tax burden isn't going to change much. As you can see it actually went down, because our levy rate went down greater than one percent. I forget what the percentage was, but since it went down greater than one percent and your property went down one percent, your property taxes will go down to different -- so, if I lost you there. So, property taxes went down. The levy rate went down. I think it was like 4.5 percent. So, we went from a .00207 to .002003. So, that was like four percent. If your property tax levy went down four percent, but your property value only went up one percent, that means you have a -- well, four minus one equals negative -- negative three. So, you should see a property tax reduction. Residential will have the opposite. Again, we only reduced -- we reduced our leverage rate by four, but let's just say John's house went up nine, well, nine minus four equals five. He should see a five percent increase in his property taxes if that makes sense. So, we had a year over year reduction in commercial property taxes, because the levy rate went down, the property values only went up a percent, so, therefore, they should see that and, then, their total taxable -- taxable bill, they have done very well for the last ten years. Different conversation. Different day. But, again, commercial has been paying less and less and less and less and less, other than the one year last year when they wanted to fix the assessment, but, then, the assessment corrected itself. So, that's commercial. Go ahead. I thought I heard somebody. I apologize. So, again, that is a commercial total property taxes there. So, again, recap what we have covered today. Property Tax 101 and levy rate history, comparisons, burdens, what we are going to do next quarter is going to be your -- my financial update for fiscal year 2024's update. I would let you know how we did budget to actual. Basically the report card, you know, did we achieve it, not achieve it, did we come short. Changes the fund balance. Our top five revenue sources and our top five expenses. So, that will be our next quarterly update. Then that gets us to this new topic. Again, Luke, I think you are online. This is navigating numbers with Finance, again, it's kind of a learning lesson -- learning opportunity that we are happy to participate in. That's why we are here today talking about property taxes. These are some of the concepts or ideas that Luke and I talked about as opportunities to stand in front of you be it me, any director, any subject matter expert. Again we are happy to be involved and have these discussions with you, so that you are informed and comfortable with the decisions you are making. I'm getting -- there is one or two, sweet. If there is none, again, we respect that. Again, Luke, I hand it over to you if you have any additional words you want to talk about this concept that you brought forward.

Cavener: Yeah. Thank you, Mr. Lavoie. Mr. Mayor, if I may.

Simison: Councilman Cavener.

Cavener: Thank you, Mr. Mayor. So, Council, this is I think a continuation of a -- of a conversation many of us have had of this Council's desire to -- to level up and to continue to learn more about the various funding sources and the financial obligations that the city has. So, I want to thank Mr. Lavoie for bringing a lot of these ideas, but, Council, this -- we are not limited to this and so if there is something that Mr. Lavoie presents on or sends us an e-mail on that you would like that to be a future, you know, monthly finance update, I would encourage you to keep having that conversation with -- with the Finance Department or with me, so that we can make sure that we are accommodating your requests and, listen, Mr. Mayor, if I may, just a couple of questions for our CFO.

Simison: Yes. Go ahead.

Cavener: Thanks, Mr. Mayor. Mr. Lavoie, I wish every citizen could watch this presentation, because I think it's really enlightening. It helps I think many of us really understand the ebbs and flows of city budgeting. My question is, you know, we -- as I understand the city of Kuna assesses a mitigation fee for schools and I -- I read an article recently about the city of Star charges a mitigation fee for police services. Now, I would be apprehensive about charging a fee for an ongoing expense, but can you maybe explain to the Council the legality of mitigation fees, where they make sense, where they don't and if that's something that the City Council should look to explore.

Lavoie: Yeah. Mr. Cavener, I have heard about the Star one. I have not heard about the Kuna one. I know that Pocatello tried this a number of years ago and they actually called it the T-A-X tax system or something like that and that was shot down. I do not believe that we can charge a profit to citizens for services. Again, I have talked to a few people about the Star one and, again, I'm more happy to work with the legal department to go can you create a profit situation just so you can cover expenses X and Y. That's how I understand the -- the Star project to be is they are just trying to generate more revenues above and beyond the existing property tax and development sources that they have and I believe that is what Pocatello tried ten years ago. But, again, I can -- I'm happy to work with legal to find the legal, legal, legal reasons of that, but I would not promote that to you. But, again, I'm happy to work with the legal department to find the legalities and see what tools are available in your toolbox.

Cavener: Great. I don't think that's maybe necessary at this time. Just I think more just continuing the conversation to learn more. So, I appreciate that -- that insight.

Lavoie: Sure.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you so much, Todd. It's always great having you present. Just a couple things. I thought it would be great if you have a two minute update on the CFP process for everyone and, then, I also thought it would be helpful to just kind of give us an overview in terms of what you are expecting going forward. We all have the fourth quarter revenue review. I thought it was really interesting. The residential permitting is slightly down and the multi-family permitting is significantly down and that's all in response to the interest rate cycle. What do you expect going forward for new construction revenue and how should Council start thinking about that within the context of future budgets?

Lavoie: Good question, again, thank you, Liz. The new construction we will hit that one first. Every year the growth committee will provide you a projection of what we believe the city's future development looks like for the next 25 years. We will do that again this coming March or April. We will provide that with you. Based on our last report I can tell you that the development in our forecast data shows it's still on a downward slide. Yeah, we are still growing, don't get me wrong, 1,500 permits a year is still pretty amazing. Many cities would love to have those numbers. We are just -- I think we got used to 2,600 and 2,500 and 3,000 permits. I think we got used to that. But still a thousand permits a year, 1,500 permits a year, 1,200 permits a year is still a growing vibrant city. But that does have a smaller revenue source. We look at development revenues one time, which is kind of our kind of safety net. We don't use it to pay for ongoing. So, as that one time revenue source declines, again, I -- we just have to stand in front of you and say, well, we don't buy as many one-time things, which is a lot easier to manage than paying for salaries and hiring new people. So, we believe the future for the city is still growing, just at a slower pace, still at a healthy pace, just not at the record levels that we got used to, you know, six, seven years ago. So, revenues, not too concerned. They are one time in nature. We use one time in nature revenues to pay for one time in nature expenses. So, when we have discussions about one time in nature expenses you will ask me the questions do we have the money and I will be able to answer it pretty easily for you. The other one was the CFP. So, our comprehensive financial plan. We are working -- or Finance is working with Liz and Ann on kind of looking at the content that was delivered to the Finance Department from your directors. The comprehensive financial plan, just a quick ten second review, what it is, every year we ask that your subject matter experts, the Council, your directors, to submit to Finance a collection of their needs for the next ten years. So, if they need another employee, they need another truck, they need another engine, station, whatnot, they submit that to us and, then, we have a collection of these expenses and, then, we kind of massage the data, to figure out what we can fund in a -- in a -- kind of a cash flow forecast. You know, I can't pay for everything in one year, but if we spread it out over ten can I fund that? And so that's what the CFP is. It's kind of a guiding document to assist us with making decisions on maybe timing of expenses. So, the update where we are, your directors and subject matter experts have submitted their current list of requests to us. Again, it is fluid. It's always moving and changing. Finance is working with Ann and Liz right now, we are looking at the content that has been delivered to Finance and, then, we are now starting to have discussions with all your directors, Liz and Ann and Finance, just -- oh, and other council members. Okay. Council is involved. Awesome. So, we are just -- the legislative branch is now working with the executive branch on their requests, just so you can be informed, so we can make education -- or informed decisions and, then, once we have those interviews done we might make some changes and, then, Robert will be involved as well. So, then, the two branches will come together and we will figure out what is a -- kind of a game plan for the next five years of requests. Can't fund everything, but at least this allows you to have those discussions with your directors, with Robert, with the two branches, go, okay, this is kind of our tentative plan, let's just keep that on the whiteboard and every year we adjust accordingly and just kind of move things in and out every single year. So, is that a clear update? I think two minutes?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. That's perfect. I think for -- for those initial meetings each City Council liaison should have been invited already to a meeting. If you haven't been, please, mention it to us and we will make sure that you are. So, that way everyone has an opportunity to take a look at it and, then, I think what would be lovely and something we could talk about would be seeing some presentations as we go through that process early next year I think we have a real opportunity to discuss as a group. I would recommend that, but TBD on that. Thanks.

Lavoie: Thank you.

Taylor: Mr. Mayor?
Simison: Councilman Taylor.

Taylor: Todd, use the numbers and kind of painted a picture of -- kind of like a -- a widening gap between what our kind of baseline revenues will pay for with all the -- kind of the new stuff. You talked about the 50 million in property tax and that's kind of eating up right of way with public safety salaries, et cetera.

Lavoie: Sure.

Taylor: Do you -- and I know there is other revenue sources, obviously, that we have, which -- that's kind of how we balance all this out, but I guess the question I may be getting at a little bit is are you able to -- are you wanting to -- are you asking Council to -- to look at are there other ways to derive revenue that are different from the current revenue streams that we have?

Lavoie: At this moment I would not -- again, I'm not asking you to find other revenue sources. Again, we are kind of limited in what we can do. The state mandates our revenue source collection process and we only have so many levers. So, I'm not really asking anybody to go find revenue. It is what -- we have what we have. If anything, you can influence the state legislature to change things. That would be pretty fantastic. But I wouldn't -- but I wouldn't ask you to go find any new revenues. Again, as Robert stated earlier, if we didn't have some of these changes to the tax bills we wouldn't be collecting just 90 percent, we will be collecting a hundred percent. We would -- we would be able to use a higher levy rate to calculate our new construction for the new impacts for the city. Again, there are things that we would benefit from that -- you know. But, again, from -- finding new revenues I wouldn't say spend any time on that. Again, it is what it is. We only have so many things we can charge revenues for.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Whitlock: Mayor, Todd, just -- this is very helpful. The -- the 101 is extremely valuable. You might need to get it down to property tax for dummies for a certain member of the Council, but everybody else you are probably safe at 201. Color in the edges for me on new construction. I understand the 90 percent. I understand the eight percent. I understand what happens in the year that we assess the new construction. What happens in year two? How is that folded into the base? How do we treat that property moving forward?

Lavoie: Fair question. So, when the county tells us what our new construction is -- in this case I think, if I recall from the slide, 1.4 million dollars it said, you have 1.4 million dollars of new ongoing revenues. Council, you get to decide what you want to do with it and we did that for 2025. We did X, Y and Z. That thing gets added to that final number way off to the right on that bubble slide that's at 50 million. So, it gets rolled into that 50 million. So, next year that is now going to be our base. So, if we go back to the formula --

Whitlock: In your base and subject to whatever you take the next year. One, two, three percent.

Lavoie: Yeah. That becomes your first number on the -- holy moly, there is a lot -- I apologize.

Whitlock: Making me dizzy. But I know where you are going.

Lavoie: Oh, is everyone sick now? It's like -- sorry for those online. So, that 50 number all the way to the right, next year when I stand in front of you with this exact same slide -- it's on your left. But that is now your base. Those are the revenues that you have asked your directors, your departments, to fulfill the level of service that you have approved in the fiscal year 2025 budget and you expect us to do that again next year and next year and next year and next year. New construction will go, hey, I need you to do that, plus this, and, then, that becomes -- so, that's just how we manage. The base is what you expect us to do today and you want us to continue to do tomorrow and tomorrow and we will, unless instructed differently. The new construction goes, hey, this is -- I need station number nine. I need park -- you know, Whitlock Park. You know, whatnot. Those are the things that would use new construction to go, okay, you are doing what you are doing now, use the new to pay for this new thing and, then, that becomes that far right number, then, it becomes your far left number the following new year, if that makes sense. So, it just rolls.

Whitlock: Very helpful.

Lavoie: Sorry if I got -- it was confusing. Sorry.

Taylor: Mr. Mayor?

Simison: Councilman Taylor.

Taylor: My last question. Are you -- are you surprised that the foregone revenue is only 271,000 when in our budget discussions we were talking at being closer to 500,000? Does that surprise you?

Lavoie: The answer is no. So, the -- the exemptions -- the state controls the exemptions. They actually reduce our property tax requests because of certain property types. So, when you look at our submission form to the county it's 500 grand. I didn't create a six box for exemptions. I -- it is confusing. I apologize. I netted the two numbers. So, you are 500 that you wanted got approved by the county. They just reduced that number, because they have exemptions -- they do every single year. They say, well, you can't collect everything. Certain properties are not exempt -- or they are exempt from your collecting. In this case it's about 250,000 dollars. So, I apologize. Your 500 got approved. They just take 250 more from us because of state code and things like that. Out of our control. Yeah. They determine that number. We find out later.

Simison: So, you are saying there is a chance for more opportunities by state coaching?

Lavoie: Yes. Yeah.

Simison: Councilman Whitlock.

Whitlock: And just to clarify, if we hadn't taken the foregone there still would have been the exemptions.

Lavoie: Confirmed. State and county control all that. That they tell us that -- at the very end of the process they go, oh, by the way, I'm reducing your number by that. Okay. Thank you very much. Yeah. Hundred percent.

Whitlock: So, as -- as much -- sorry. Follow up. As much effort as we put into trying to -- to really balance this budget, get to a bottom line, we don't know what that exemption -- I mean we have a ballpark, but --

Lavoie: Yeah.

Whitlock: -- in future budgeting do we need to have that conversation, that whatever we pass is probably going to --

Lavoie: I don't think there is a value -- I don't think it's a material concern. Two hundred and fifty thousand over a 50 million dollar number, you know, as Liz would state -- or we have discussions that -- I'm off by one percent every single year on property taxes, which is going to offset the 250,000 loss on this. So, I'm usually 101 -- we usually collect 101 percent of the property taxes, which is about 600,000 dollars more than what we asked for, because we have previous year's collections -- we don't collect one hundred percent of property taxes, just to let you -- so, we have the delinquents finally coming in helping us out. So, the extra money we collect here will offset the reduction in this exemption. So, I don't think it's a material concern that we have to get to that finite number. So, when you net the two I don't -- again, I don't believe it's material where we have to get to that point. It's about 150 to 250 thousand dollars a year. When it starts becoming material I completely agree with you that -- and, then, we have to have that discussion. But I don't think 250 is material for -- out of 50 million dollars.

Simison: Council, any additional questions? Okay. Thank you very much, Todd. Welcome back. Great to see you.

Lavoie: Thank you very much.

Simison: I meant to stop in your office twice today and I just couldn't get down there, so just want to let you know we missed you.

Lavoie: Appreciate it. Thank you. Have a good night.

14. Arterial Roadway Landscaping Discussion

Simison: Okay. With that we will move on to Item 14, arterial roadway landscaping discussion. Mr. Barton.

Barton: Good afternoon, Council. Thank you for your time this afternoon. Chris was going to -- I think he is queued up a short presentation. I want to talk to you this afternoon about some roadway projects that are in the work -- works. We have three projects -- there is two on Ustick, so there is Ustick Road and there is Linder Road. Ustick Road is currently -- Ustick, Black Cat to Ten Mile Road, was bid out and the contractor has notice to proceed. They are going to start construction here soon. That roadway is currently designed with -- with center medians for landscaping or some kind of treatment in there. The next section on Ustick is Ten Mile to Linder and that one is coming up the following year. Same kind of thing. It's designed with center medians for landscaping, both for beautification and for traffic calming, and the third one is the Linder Road. Linder Road ties into the overpass, so when that happens -- actually, the -- phase one, which is near Overland is going to start a little bit sooner than phase two. Phase two will go with the overpass project and that -- that roadway project is being designed with both center medians and buffer strips on the side. So, the -- the road section is center medians, lanes of travel, curb, gutter, a buffer strip and, then, a multi-use path on the side. So, based on previous council's direction in -- in 2023 we have been working with ACHD and we have designed these islands in these roadway projects for some kind of treatment. Linder Road was kind of a -- you know, yeah, that's an important corridor. Ustick Road, being an important corridor, because that's going to be an entryway into the city with the State Highway 16 interchange being built right there, the timing of these -- the sequencing of Ustick Road is maybe a little bit off. You would think it would either go west to east or in reverse, but it's kind of jumping around. Owyhee Storm to McDermott I think is in 2027. So, it's -- it's middle, beginning and, then, closer to the state highway. Anyway. So, what I want to talk to you about this afternoon is just show you some concepts, want to also discuss likely up-front cost and, then, any ongoing costs and I was thinking to myself in a lot of ways I thought I really wished I would have gone first before Todd's presentation, but -- but here we go. So, again, Ustick corridor, those are the two sections that we are talking about. Based on the landscape matrix that was done and presented to Council in 2023, we came up with a low, medium, and high both in terms of maintenance and in terms of cost up front. This checks the -- the low maintenance. It's not no maintenance, but it's super low maintenance in both cost and -- and maintenance. So, it's a mixture of stamped concrete and -- and boulders and some upright elements that provide visual interest and also traffic calming. So, ACHD is committed to giving the city a credit towards these improvements. We have a -- because this segment has been bid, we have a fixed amount of the credit. This credit is 131,000 -- 132,000. So, our cost -- we would need an additional 62,000 in one time and, then, the ongoing maintenance for a treatment like this would be 6,500 annually. So, the next segment, the Ten -- on Ustick, Ten Mile to Linder Road, because that hasn't been bid yet we don't have an exact reimbursement cost, but we are -- we are thinking that it's -- it's based on stamped concrete for the center median. So, it should be relatively close in that 132,000 dollar credit towards the improvement. So, again, same kind of numbers. We are looking at 62,000 in a one-time cost and 6,500 annually for the maintenance. And, then, Linder Road. I think everybody's familiar with Linder Road. Phase one is south of the Interstate. Phase two is north of the Interstate. The treatment there, again, low water consumptive plants, boulders, median trees. The one unique feature of this segment is the addition of some art that Cassandra has been working through the public process and settled on a design. I'm not sure if Council's seen this yet or not and, if not, Cassandra can be -- can come back and kind of go into more details. With that it's a -- a series of -- of metal birds that go down through the center median and it's just in one median. These would be uplift with low voltage lighting underneath them. It's -- it's a really cool -- really cool feature. The concept is really neat. So, this -- this is budgeted for with MAPS dollars and pretty bulletproof as far as maintenance goes. They are all steel. The plan is to put some grasses around these that are low maintenance, big boulders in the center, to -- to help shield those from vehicles that want to leave the roadway. So, we are -- we are trying to be thoughtful about things that may happen out there, because it -- it seems to happen. So, that's -- that's more of a rendering and, then, the landscape rendering in the upper left-hand corner you can see is that mixture of stamped concrete and some really drought tolerant, low maintenance plant material. So, again, ACHD has offered a credit for the stamped concrete that they don't have to do. We don't know what that credit is yet, because the project hasn't been bid, but we think that it's comparable as far as square footage costs go. It might be -- I would think maybe a little higher a couple years as, you know, bids -- maybe there is a little bit of cost escalation in some of these projects. But to do the -- to implement this we would need a one-time budget request during the next budget process of 300,000 dollars and, then, a total of 8,250 dollars in annual ongoing maintenance cost. So, that is my presentation and I would be happy to answer any questions you have and -- and maybe just some direction. We have been -- we have -- we had previous direction to work with ACHD and kind of get these things going with center medians and -- and we need direction -- keep going, are we good, or is there something else that we should -- do we need to pivot?

Simison: Thank you. Council, questions?

Little Roberts: Mr. Mayor?

Simison: Council Woman Little Roberts.

Little Roberts: Mr. Mayor. Thank you, Mike. I appreciate that. The ongoing maintenance is that done by our in-house team or is that contracted out?

Barton: Yeah. Thank you for that question. We contract that out.

Little Roberts: Follow up?

Simison: Council Woman Little Roberts.

Little Roberts: Mike, what's our total cost outgoing now to contract for roundabouts and things that we have already got currently?

Barton: So, Mr. Mayor, Council Woman Roberts, that -- great question. I -- I'm going to say that it's about 350,000 dollars a year and I can get you an exact number. We just rebid that contract for three years and, then, a couple of renewal years and so it's much more than road medians and landscaping, it's the landscaping at City Hall, it's police station, fire station, ACHD drain beds, Public Works well houses. There -- we have a total of almost 60 sites that we maintain. Meridian Road interchange. Ten Mile interchange. I mean Ten Mile Road medians. We were really fortunate to have our -- one of our good partners -- if we made the improvements they would assume the maintenance of that, which is going to reduce that contract going forward by a little bit. I think it was about 10,000 a year that that will be reduced. So, yeah, there is -- there is -- there is a lot. I mean there is -- it's -- it's -- it's -- there -- there is a lot -- roundabouts. I mean the list goes on. I can send you the list and get you an exact dollar amount if that's helpful.

Little Roberts: That would be great. Thank you.

Barton: Perfect. Yeah.

Little Roberts: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks a lot, Mike. I feel like you are headed in the right direction generally. It's -- what I really appreciate about what your team is doing is trying to take this more systematic approach. So, it's not like every time there is a roundabout we are reinventing the wheel. Like, I think the consistency is -- is really great. So, I appreciate that. I did have a question. The budget request of 300,000 dollars for upfront costs for the Linder Road improvements, is that net of the anticipated contribution from ACHD?

Barton: Yes, it is.

Strader: Thank you. That's very helpful. Yeah. Okay. Yeah. I -- I -- I feel like it's -- well, personally I feel like it's headed in the right direction. It feels like a good value. It looks nice, is attractive, but it's not hugely expensive. It feels like you struck the right balance to me so far. I think you are headed in the right direction.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.
Cavener: Just a quick question. That 350,000 dollars, is -- is this project I guess impact fee eligible or does it need to come out of our General Fund?

Barton: This is General Fund. It is not impact fee eligible.

Cavener: Okay. Thank you.

Overton: Mr. Mayor?

Simison: Councilman --

Overton: No -- not at all.

Hood: Mike's done a great job and -- and I just -- on that question a little bit, there is an option. I want to refresh everyone's memory. Council did allocate 2.5 million dollars to the Linder Road Overpass primarily for design, but it looks like design is going to come in about 1.7, 1.8. So, you will have some money we may be giving back to Todd, back to you, back to the coffers, wherever. So, potentially if this 300,000 dollars that Mike needs here, you are looking at having roughly 700,000 dollars out of a pot you have already dedicated to the project -- landscaping wasn't necessarily one of those things when the 2.5 was allocated, but I just wanted to -- can I actually add a couple more things real quick before Councilman Overton goes, Mayor, is that all right? The consistency in the matrix -- so, I -- this does all tie in with that direction we got from Council this last year and Brian and we hired a consultant to develop. So, some of these things you see on these three projects, there is a lot of consistency in what we do, so we can replicate this potentially again and again on key corridors. The other thing that I wanted to just -- if -- if there is general concurrence on this, I do have two of these three projects we have draft cost share agreements from ACHD that would bring this -- and maybe I'm stealing your thunder --

Barton: No.

Hood: -- so, depending on how this discussion went, we are planning on bringing those back before you likely on a consent agenda, though, to memorialize some of this direction, because we are getting to that point in the processes of design and construction where we have got to commit to these things. So, I just want to kind of bring that, too, that so far it's been talk and soon it will be on an agenda for an approval or not. So, anyways, I just want to make sure that was part of this -- at least a couple of these, if not all three of them, will likely be on an agenda here in the next quarter let's say. Sorry.

Overton: Mr. Mayor?

Simison: Councilman Overton.

Overton: Thank you, Caleb, and my quick question. I know that when we first looked at these options -- and going with this low maintenance one and being consistent throughout the city I thought was a great idea. Do you have any just rough numbers on the difference between ongoing maintenance on these low cost options versus what we do now on -- or what we started doing on Ten Mile?

Barton: I mean maybe just -- I don't have exact numbers for you, but I know on Ten Mile the plants that were installed were not as durable. We didn't -- did not incorporate large boulders into that design. So, they are -- they are getting run over all the time. It's hard -- if -- if you have things that maybe outgrow their space and need trimming and things like that, you have to have crews go out there and maintain them more often, cutting them back from the side, things like that. So, we have learned a lot over the years from Ten Mile and from some of the other ones. We implemented some of those -- what we learned at Ten Mile into the Meridian Road interchange. That one's done very well. Very easy to maintain. So, we are always looking for efficiencies, you know, how can we make it easier -- still provide some beautification and aesthetic quality and value, but make it so that it's very easy to maintain and simple and it's not dangerous to have people out in the middle of the street, unless they have to go out there to do things way better off and it reduces cost.

Overton: Thanks, Mike.

Simison: Council, any additional questions or comments? All right. Thank you very much.

15. Meridian Pool and Meridian Homecourt Fee Discussion

Simison: Next item up to Item 15, Meridian pool and Meridian Homecourt fee discussion.

White: Mr. Mayor, Members of Council, thanks for having me tonight. Like Mr. Mayor said, I'm here to talk about proposed Homecourt fee increases and pool fee increases and, really, what I'm looking for tonight is feedback, thumbs up, head nod type of thing for -- we come back with you -- or come back to you in the next couple weeks with the fees to get approved. So, the -- once I get feedback and head nods or thumbs up, tonight we will try to post these fees and come back to you like I said. So, I want to start out with Homecourt, if that's okay and kind of talk about the -- the successes we have had there. Some of those numbers there on the left kind of tell you about our day passes. Jake Garrow and his crew and his team over there do such a great job with the day passes and scheduling the facility, coming in almost, you know, 47,000 people or -- use that or how many check-ins we had for day passes. A lot of those are double people, obviously, but 47,000 is a pretty good number. Then you look at the memberships, 3,400 memberships plus. Again, those are -- some people are duplicated in that number as well. Some of the additional users that at Homecourt are the club volleyball teams, the club basketball teams, community education classes that Jenna schedules over there in Bay 5 and Bay 6 and we have had some basketball tournaments, volleyball tournaments, wrestling tournaments, you kind of name what we had over there. It's -- it's a -- it's a happening facility. It's super -- super big, super used. It's pretty awesome. Some of the comparable facilities that we have -- that we kind of proposed these fees on is the Mettle sports facility for Nampa, Fort Boise Community Center and, then, the next -- I know it's Jerome, Idaho, down by Twin, but it's a very similar facility as Homecourt. The most similar is the Mettle facility over Nampa. It actually has four full size basketball courts, restrooms, office, identical to the Homecourt. The big difference is this Homecourt is hardwood floors, way nicer to play on when it comes to basketball and pickleball and those types of things. So, with that our proposal for Homecourt is to increase the drop-in day passes by one dollar each. So, going from two, three and four dollars to three, four and five dollars and, then, the membership reflect the -- the increases of the -- the drop-in day pass. So, it's about seven'ish visits a month is kind of how we came up with that. That's the same methodology as we had back when we first took over Homecourt almost eight years ago, nine years ago. So, seems like yesterday. But the break even point, like I said, is about seven visits a month for the memberships. One dollar increase to the drop-in fees. So, with that I'm going to stop right there and ask for feedback on Homecourt. Head nods. Thumbs up. Okay? On that one.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: So, Garrett, thanks for this. If I -- if I'm hearing you right your -- your basis for these fees are only kind of comparables to other kind of similar type facilities that are in the state; is that correct?

White: Mr. Mayor, Councilman Cavener, that is correct. Yes.

Cavener: Okay. Mr. Mayor, maybe just some -- some feedback then.

Simison: Go ahead.

Cavener: Thanks, Mr. Mayor. So, I think, Garrett, my -- my gut response -- and if we are just kind of basing it on other like-minded facilities, it's a little -- maybe subjective in my opinion. That is -- I'm not opposed to some rate changes, but I -- I don't think I would be supportive of rate increases for use and I don't think that I would be supportive of rate increases for seniors. I'm very supportive of rate increases for nonresidents, but if we have got a revenue -- if we have got a revenue concern about the facility, I would like to see that burden placed on organizations that rent out our space, as opposed to on, you know, our youth and seniors that utilize that facility and, then, essentially, kind of already paying for it to a degree as taxpayers.

Simison: Just -- and just a little -- we will comment that I don't think is -- is a valuable question, you know, because I have actually -- we have had the same conversation with them about people that are wanting to rent the facility and we said no, because it takes away days from our day users to use the facility. So, I think that's a great conversation if Council wants to look at other ways to offset costs, but it also comes with reduction in use on weekends primarily for the facility if we want to look towards outside users covering some of that cost and this is part of the cost recovery scenario, because our costs have increased at the facility. So, it's not just -- only looking at what is charged, it's also understanding that our costs have increased and our revenues need to do that if we want to stay within that framework.

Cavener: Yeah. Mr. Mayor, I tend to agree with you, but that -- I guess that's not what's presented to us. So, if -- if these fees are based on our cost recovery model I would like some additional information on that before I would be supportive.

Simison: Okay.

White: Mr. Mayor, Councilman Cavener, thanks for the comments. Jake -- Jake has done a really good job over there in trying to strike that balance of what is reservable, what is used for just general drop-in use and right now -- I mean the facility is reserved from different club groups or different youth groups, A -- A groups, whatever it may be, from about 4:30 to about 7:30. After about 7:30 it is rocking and rolling with all public use drop in uses. So, trying to get that balance is tough. But Jake I think has done a really good job of balancing that aspect of it. But, Councilman Cavener, from hearing you correctly, do you want -- what exactly do you want me to come back and present or should I come back and present?

Cavener: Mr. Mayor, if you can respond.

Simison: Yeah. Councilman Cavener.

Cavener: Garrett -- and -- and -- not a criticism, I just -- I -- I'm hearing two different arguments. I'm hearing that these fees are based on kind of what the other region -- like other like-minded -- similar facilities in the region charge and, then, I hear from the Mayor it's based on our cost recovery. So, I guess I'm not seeing how the -- it can't be both. So, if this is based on our cost recovery model, I would like to understand how that is in line with our cost recovery model. If it's subjective and based on what other facilities are charging in the area, I -- I wouldn't be supportive of the fees as proposed. So, if -- if it's based on cost recovery, bring us back to show us how these fees are in line with our cost recovery model and if they are not that's okay, but, then, I would want to have more of a subjective conversation.

White: Thanks for the feedback.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. I am curious -- just prompted a question. I don't have a huge reaction one way or another about your proposed fee increases. I feel like if they are staying, you know, kind of in the two to three, even four dollar range, that makes sense to me if that reflects the cost of business going up. So, I do -- I do think it couldn't hurt to get an update about how -- how you are using our cost recovery model and how that's reflected in the proposed fee increases. I am curious about the split between nonresidential and residential users. That is a piece that I would like to better understand if it's something that we can track easily, if it doesn't create a huge headache, but I -- I would be very curious to look at that and just to see if -- depending on what that looks like, if a little more weighting toward the nonresidents would make sense or not and maybe if that went to five dollars that might help offset some of the other categories. I would just like to understand that a little bit better. Oh, here. Thank you. I guess I didn't look at this fully.

White: Mr. Mayor, Council Woman Strader, yeah, the -- the -- we were able to break this out in our Rec One software at the point of sale stuff on residents to nonresidents. So you can kind of see here at the -- the day passes, the nonresidents are right around 9,600. The majority are residents, seniors, youth and adult. Same type of thing goes with the -- the memberships. Thirty -- about -- a little -- little under half is the nonresident for the memberships.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. And -- and, then, I think -- I think your comparables facility analysis is actually more relevant for the nonresidents in a way, because, then, it really is kind of the marketplace and where people are choosing to spend their dollars to recreate for nonresidential. I think it would be interesting to see a little more detail in terms of how we thought that would stack up if it went to five dollars compared to the -- I would just like to see that, if that's not too difficult. Again, I don't -- I don't have like a huge reaction to these fee increases necessarily. I think just a little bit more detail would be helpful.

Taylor: Mr. Mayor?

Simison: Councilman Taylor.

Taylor: Garrett, thanks for the presentation. I -- I kind of have the similar reaction as Council Woman Strader. I think this seems reasonable. I did know -- it seems like the membership fees kind of are 20 to 30 percent increases. If that's what it takes for cost recovery I can support that. I -- I do think -- I think for the future I think it would be good for Council to have a discussion on do we want to allow the property to be rented out and to use that as a way to generate some more revenue to offset the expenses to our citizens. I think that's a worthwhile discussion at some point in the future and I also agree generally if nonresidents are coming to use the facility -- I personally would be okay with a heavier weighted cost recovery placed upon nonresidents, as opposed to residents. Again, I think that's maybe a conversation we can consider going forward. But as far as what you presented today I think I'm generally pretty comfortable with what you have.

White: Mr. Mayor. Councilman Taylor, thanks for the comments. Just to touch base on the membership portion of it, on the -- the fees. Literally, it's just the same methodology as the 20, 30 or -- percent increase is seven visits a month roughly and that's kind of how we came up with that number. Thanks for the feedback.

Little Roberts: Mr. Mayor?

Simison: Council Woman Little Roberts.

Little Roberts: Mr. Mayor, Garrett, thank you for all you guys do. Jake does an amazing job. He and his team. Having been someone that has spent quite a bit of time down there between classes and pickleball and things like that, I think it's the best deal around. I mean most of the people that I know that I see that are nonresidents are there because they are coming to play pickleball or do whatever with a resident. Jake can, you know, tell me I'm wrong on that, but -- that they are generally coming because of a resident. But -- and so I don't think they would even blink at having it raised another dollar. But it's a great value. You guys do a great job of taking care of it.

White: Mr. Mayor. Thanks for the comments. And -- and just to kind of piggyback on that, in the minimal conversations we have had with some members, like on some of these increases, it's kind of expected. They don't -- they don't expect the fees to kind of stay the same as they were about nine years ago. So, they kind of expect some kind of an increase and we are trying to make it fair, accessible still to -- to those that can use it. So, thank you for the comments.

Simison: And maybe just -- when was the last time these fees were actually changed?

White: We have had the facility since 2016, September 30th of '16, and we proposed them then. So, we have not increased them for the last eight to nine years.

Simison: So, it's been -- it's been nine years. I -- I don't know how the visitors -- if we have tracked the visitor day. Just so -- you know, I was never -- when this came to me from staff they never said anything about Jerome or Nampa, but there was no comparison. That was -- it was not a -- that conversation with staff. So, this -- this was the first time I even saw that as part of the presentation. This is about increased costs of the facility to help stay -- stay in a place where we are not -- I don't want to say losing money, but we are not collecting as much revenue to offset the increase in costs as we have done over the years and so that's -- that is really -- and Garrett will bring that back, but just so we are clear, this was never about be comparative with the facility in Jerome, Idaho, that people are trying to compete.

Overton: Mr. Mayor?
Simison: Councilman Overton.

Overton: Garrett, yeah, especially with the last bit of information, these fees were established in 2016. I have absolutely no problem with this fee increase. I think we probably should have done it every few years instead of waiting this long, but I think we are still giving our residents and people from outside of our city a great value for the money.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Whitlock: Hi, Garrett. I'm -- I'm in the same boat. I think you have done a good job and it's time and I think from a cost recovery standpoint we can justify what you are suggesting here. Just a question as I looked at the numbers. It looked like the number of youth attending on -- for day passes was fairly similar to the nonresidents who are coming, so, off by a thousand, but is there any consideration to maybe increasing the nonresident one more dollar? I know we are going three, four and five, but -- I mean can you increase the nonresident one more dollar and keep the youth pass at two? Is there value in doing that and -- and maybe a message to our kids that we want them engaged in good wholesome activities?

White: Mr. Mayor and Councilman Whitlock, that -- that's a great suggestion and we are happy to do what -- what we are directed and that's a -- if that's an idea that we want to do I'm -- we are fine with that. Yeah. That's not an issue at all.

Simison: Okay. So, it looks like we will be coming back with a little additional information in the future with the revision as well and at least a showcase of what that might do with the projected sales or use of the facility.

White: All right. So, yeah, I will come back regarding the Homecourt fees. So, moving on to the pool, if we are ready for the pool. So, I'm working with one arm here. I'm trying to get my -- all right. So, the Meridian pool. So, as you guys all know we took over the Meridian pool from the West Ada Recreation District operations about almost three years ago now. The operations we just got it fully operational, fully into the city's name and property just recently. So, the use at the Meridian pool, like I said, it's heavy swim lessons and we service over 2,000 kids we are giving swim lessons. Others that use it for just the day pass stuff is our camps, our outdoor adventure camp, Camp Mer-IDA-Moo that Jenna Fletcher puts on visits the pool. Boys and Girls Clubs here in Meridian and in Kuna. Different swim teams used it as you can see. The Killer Whale Swimliners. The high schools. They have held some meets there this year. Some clinics as well. But, really, the main source of this is the swim lessons and the day passes that we sell. The schedule last year that we had was 65 yards. You can kind of see there on the side there. It's a lot of swim team, swim lessons, and public swim like I just mentioned and, then, some of those numbers like I presented with Homecourt just with their day passes that came through, the -- you know, little kiddos, you know, three years and younger were 425. The four to 17 year olds, you know, 4,600 plus and, then, the adults were about 2,500. So, those are some of the numbers we have there at the pool. Very similar to what the Homecourt is. Really it -- it does come to down to the cost recovery more on this one to kind of hit that. Yes, we did look at some comparable facilities in Nampa, Boise, and the YMCA for different lessons and stuff, but just in -- in day passes, if we -- if -- my proposal is to raise it a dollar, like I was with Homecourt, three, four and five dollars. Lessons go up a little bit as well. The -- the increases to that do -- did reflect cost recovery and to Councilman Cavener's comments before, when we do open swim -- public open swim, because of guard wages and stuff like that, we do lose money on open swim. This helps us narrow that -- narrow that gap in the subsidy of the public swim times and -- and stuff. The swim lessons we consider that a program, so we want to cover one hundred percent of those costs of those programs when it comes to that per our cost recovery philosophy and, then, same with the private parties and swim meets and high school uses. We want to cover our cost. So, those fees directly are -- are tied to our cost recovery philosophy that we currently have. So, with that the real increases to that the day passes are the one dollar. Everything else is to cover our cost recovery philosophy with that. So, I hope that makes sense and I hope I presented that well and with that I will stand for questions regarding the pool.

Simison: Thank you. Council, questions?

Little Roberts: Mr. Mayor?

Simison: Council Woman Little Roberts.

Little Roberts: Mr. Mayor, Garrett, what percentage are we recouping on the pool of its cost?

White: Are you asking about the subsidy or the actual percentage that we --

Little Roberts: Whatever numbers work for you.

White: So, when it comes to overall subsidy or cost recovery of the pool, we are right in between -- the last three years between 20 and 25 percent cost recovery. So, each program is per our cost recovery pyramid that we kind of go off. It was a little different; right? If it's some lessons one-on-one, we want to cover one hundred percent full cost; right? And, really, all of our swim lessons right now are covering the full cost if we go to these -- these fees last year we were real close, but we anticipate, you know, as guards come back every year they get a small increase to come back -- a wage increase to come back, so we are hoping for more returners to where we want to make sure we cover some of those costs as well, just staff in general and other things that go along with it when it comes to office staff, as well as some material that we use for some lessons and stuff that kind of go into that. So, overall the whole facility -- you count everything from janitorial, electric, everything -- between 20 and 25 percent cost recovery.

Little Roberts: Thank you.

White: Facility wide.

Simison: And the negative overall is 300 and --

White: Over 353.

Simison: I want to say like 370 is what I vaguely remember for a deficit and we are trying to -- you know, I think we have plans to try to get this down to about 300 with this and a few other efforts that could occur. That's kind of the intention and that's kind of where it was, but it's gone up when we increase wages for our lifeguards.

White: Correct.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just keeping in mind the agenda and it sounds like Garrett will be back again. Maybe just a thumbs up if directionally -- or head nod. People feel like the swim fees are kind of in line --

Simison: I got four or five generally and one side head, but so maybe Councilman Cavener can follow up directly with you, Garrett, on any additional comments before you come back for one more time with everything.

White: Absolutely. Thank you for your time. Appreciate it. Thanks for the feedback.

EXECUTIVE SESSION per Idaho Code 74-206(1)(f): To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated [Action Item]

Simison: Thank you. Council Woman Strader.

Strader: Mr. Mayor, I move that we go into Executive Session for Idaho Code 74-206(2)(f).

Overton: Second.

Simison: Have a motion and a second go into Executive Session. Is there any discussion? If not clerk call the roll.

Roll Call: Cavener, yea; Strader, yea; Overton, yea; Little Roberts, yea; Taylor, yea; Whitlock, yea.
Simison: All ayes. Motion carries. We will move into Executive Session. We will probably delay a few minutes the 6:00 p.m. meeting.

MOTION CARRIED: ALL AYES.

EXECUTIVE SESSION: (5:48 p.m. to 6:10 p.m.)

Simison: Council, we will call this meeting to order for the record, it is November 19, 2024, at 6:10 p.m. We will begin this regular City Council meeting with roll call attendance. Oh, I'm sorry. I apologize. Yes. Do we have a motion?

Strader: Mr. Mayor, I move that we come out of Executive Session.

Overton: Second.

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

MOTION CARRIED: ALL AYES.

Simison: Do I have a motion to adjourn?

Strader: Move that we adjourn the meeting.

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

MEETING ADJOURNED AT 6:10 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

__________________________________ ______/______/______
MAYOR ROBERT SIMISON DATE APPROVED

ATTEST:

____
CHRIS JOHNSON - CITY CLERK