

A Budget Workshop meeting of the Meridian City Council was called to order at 1:00 p.m., Tuesday, June 7, 2016, by Mayor Tammy de Weerd.

Members Present: Mayor Tammy de Weerd, Keith Bird, Genesis Milam, Ty Palmer, Luke Cavener, Joe Borton and Anne Little Roberts

**Item 1: Roll-call Attendance:**

Roll call.

<u>  X  </u> Anne Little Roberts	<u>  X  </u> Joe Borton
<u>  X  </u> Ty Palmer	<u>  X  </u> Keith Bird
<u>  X  </u> Genesis Milam	<u>  X  </u> Lucas Cavener
<u>  X  </u> Mayor Tammy de Weerd	

De Weerd: Okay. I will go ahead and start our special meeting. For the record it is a budget workshop. It's Tuesday, June 7th. It's 1:00 o'clock. Can you hear us? Well, regardless. It is Tuesday. It is the 7th of June and it is a few minutes after 1:00. We will start with roll call attendance and I -- I will do it if you would like me to, Madam Clerk.

**Item 2: Adoption of the Agenda**

De Weerd: Item 2 is adoption of the agenda.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move we adopt the agenda as published.

Borton: Second.

De Weerd: I have a motion and a second to adopt the agenda as published. All those in favor say aye. All ayes. Motion carried.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

**Item 3: City of Meridian FY2017 Budget Presentation Workshop**

De Weerd: Item 3 is our budget presentation workshop. So, we will start with Todd giving an overview of the materials that you have in front of you and, then, will kick us off with our budget presentation.

Lavoie: Thank you, Madam Mayor, Members of the Council. First off we want to thank you for attending today's meeting. Again, you know you have busy work schedules and, again, we appreciate your time here. The first thing we want to bring to your attention is -- everybody receive the itinerary for today and tomorrow that's been presented to you? You have also been presented with some amended documents that we would like for you to acknowledge and put into your budget workbook. I'm going to hand this off to Jenny, she's going to -- she's going to hold your hand and tell you where the documents go and, then, after that we will jump into the first presentation of the day.

Fields: Okay. Mayor and Members of the Council, we have in front of you what's changed since I delivered the budget binder book. First item is the General Fund budget summary sheet that you will find in your tab under summary tab and the old one you can rip and replace or write old over it. The new is right in front of you called FY-17 General Fund Budget Request Summary.

Borton: Madam Mayor?

De Weerd: Mr. Borton:

Borton: Real quick, what changed on it? I have marked up the old one.

Fields: Yeah. So, what's changed is City Hall -- the replacement -- part of the replacement, 12,486 dollars has been removed from their building maintenance replacement request. The other item is under Other Government and this -- the removal of 44,930 -- 4,934 dollars under old city hall building replacement, that has been removed. Also under Council's budget, the iPad replacement of 800 dollars has been removed. That's what changed in the summary sheet.

Borton: Thank you.

Fields: You're welcome. The next item is the unfunded enhancements and replacements. That you will find under your supporting document tab, as well as the new replacement sheet that's also under supporting document tab.

De Weerd: This is just to reemphasize that we need a different sound system in Council Chambers. So, just make sure -- so, by doing that you need to make sure that you have the microphone right in front of you. Right?

Fields: Do you guys have any more questions? Okay.

Lavoie: All right. So, thank you, Jenny. So, those are the changes that we have established since May 31st when we delivered the book to you. What we will do is we will go ahead and start off with the first presentation of the day on the agenda and what I will do is I will present to you what our goal is for the next two days. Again, our goal is to make the next two days informative and productive

for the Council. Again, our agenda for -- my agenda for my presentation is we are going to present the fiscal year 2017 budget process overview. We are going to discuss how we got here today and what will be presented to you over the next two days. We will discuss what is needed as a Council between today and July 20th. We will provide an overview of the fiscal year 2017 Mayor's budget proposal, which has been presented to you in the budget book and, then, finally, we will present to you some property tax considerations that we presented during our budget roadshow in April. So, fiscal year 2017 budget process overview. How did we get here today? In February the Finance Department delivered the first budget draft to all the departments for the base budget discussions. Then during March, if you remember, the Mayor, the departments, the Finance Department, and Council, we all met in the Mayor's conference room all throughout March and discussed the base budget detail reports in detail for every line item for each department. As we discussed those base budget line items, we determined what was established for the departments for the current level of service and the cost for those current levels of service. When we left those meetings as a group we decided that those departments budgets were sound and fundable at that moment in time. In April we presented to you what we called the budget roadshow. We discussed the compensation for the city. We discussed the benefits of the city, what we are facing and we also discussed the property tax calculations and the three percent allowable calculation discussion as well. So, this here is a -- just a snapshot of all the items that we have accomplished. Again, I don't expect you to see this, but I just want to show you, the staff, the Council, the Mayor, everybody's put in a lot of time to get to where we are. Again, this just shows you all the accomplishments that we as a city have established to get to where we are today. So, I wanted to take the time here to say thank you to the Mayor, to the departments, department directors and staff, and thank the Council members. Thank Jenny and the rest of the Finance team for all the time, the effort, the help and the work that we have put in to getting to where we are today. It's definitely a team effort. It takes everybody to get this budget where it's at and we are proud to say we have a balanced budget presented to you, Council, as of today. So, now that we know how we got here, let's see what will be presented to you over the next two days. The departments will be presenting what they have accomplished with their budget dollars provided to them this fiscal year, a term that we are calling budget dollars at work. The departments will also acknowledge their accomplishments achieved over the past few years. You will also hear from the departments discussing their perspective on the enhancements that have been presented to you in the budget book as is and, then, the departments will also give you a sneak peek on what we are calling the road ahead. The expenses that we are going to be presenting to you for the next few years. Over the next two days you will see that the General Fund and Enterprise Fund. We will present 77 enhancements to you. Again, all those enhancements are provided to you in a book. You will also hear a term called funded and unfunded. Right now the budget as presented to you has all funded enhancements and so a balanced budget, but there is also a list of enhancements that we are calling unfunded. Jenny mentioned that report to you

a little bit earlier. You did a supplement on that. It's the unfunded list. Right now it's about two million dollars and we will discuss that a little bit more in detail. What we will not discuss in detail will be the base budgets, the line items. We discussed those during March in all of our meetings. So, again, we will most likely be skipping those items unless you have an item of concern, we will discuss it, but for the most part we will not discuss individual line items in detail during the next two days. So, again, the unfunded list. This is what -- this was provided to you by Jenny a few minutes ago. This represents the items that were presented to the Mayor for her consideration for her budget, but did not make it into the final budget due to funding again. So, these items are still outstanding, looking for funding. If we don't fund them this year, then, most likely they will be presented to you in following years for consideration. So, as you can see there is about two million dollars outstanding in what we call the unfunded list. So, as we continue the budget process overview, we need to let you know what we expect from you between today and July 20th. We as the staff members are here to answer any questions. We are here to clarify any inquiries that you have and we are asking you to work amongst us and yourselves to get those answers, to get those clarifications between now and July 20th. On July 20th we will have our third workshop and at that workshop we want to leave that workshop with a balanced fiscal year '17 -- 2017 budget. So, again, we have 40 some odd days between now and then to engage us, to work with us and to make sure that we get all the answers that you need, so that you're comfortable with the 2017 budget at the end of July 20th. So, that was the process that we got to today. These are the big -- this is here -- this here is the budget proposal that you have been presented in book form on May 31st. As you requested we presented and developed a balanced budget with the zero percent allowable tax. Also, as you recommended, we presented this budget with a three percent merit market for wages. So, right now for the total city we are looking at a 91.6 million dollar budget. Right now that's up 16.7 percent year over year as of today. Our total base budget is at 54 million dollars. That's up 7.3 percent year over year as of today. Now, the base budget is a number that we really want to -- we focus on in Finance, because that's your current level of service cost. When we made the marks we determined what the cost was for current level of service and we went through all the line items. This year determined the current level of cost for the city is 54 million dollars right now. We really want to focus -- we focus on that, because that's our ongoing needs for the city. So, with that we have ongoing needs from a revenue standpoint. So, with this increase we will need to increase our revenue streams in other avenues. So, property tax, three percent allowable, we need to take into consideration if we continue to increase the base budget for the current level of service. So, this year breaks down the 91 million into our two major funding groups, General Fund and Enterprise Fund. Again, the numbers are represented there. Again, we are -- Finance we focus on the base budget, because that's our ongoing base needs. Next year it will most likely be that number or a little bit higher. So, with that we will most likely need a little bit more revenue tax. So, again, we just want to make sure that we understand if this goes up we have to look at revenue sources as well. So, property tax

considerations. We presented these next few slides to you in April during our roadshow, so this is kind of a recap of what we presented to you. So, again, property tax considerations. We just want to bring it back to you, so we can show you why we believe we need to exercise the need for a three percent property tax. Compensation. We need to be able to fund a competitive compensation plan for the city staff members. We need to provide our employees with a viable benefit plan while maintaining -- while managing the rising cost of healthcare with the changing laws that affordable care -- Affordable Care Act. Our capital improvement plan. Again, you saw the unfunded report. That's just a small piece of -- of the CIP, but the CIP currently is not fiscally constrained on a five year or ten year level. Later on I will kind of show you some of the items on the 2018 list that explains why we are looking at consideration for the three percent allowable. So, staying at the current level of service. Again, as inflations go up, cost of doing business goes up, utilities go up, we need to be able to make sure we can replace the assets that prior Council have approved, that we need to replace them and maintain them. And, then, we need to make sure that we can also maintain the current level of service that we have established as of today. So, the city is growing. I'm not telling you anything new here. What we have here is a graph of population versus city staff. Please look at 2006, it says 66,000 was our population. Today we are about 95. It's crazy to think, but it's almost 30,000 people that we have added to the city or also known as a 43 percent increase. So, as we continue to grow our city and our community, Public Works Department, Parks Department, public safety, city admin, all these departments are going to be stretched to maintain their current level of service as -- if we continue to grow at this pace. So, again, not to tell you anything new, but, again, the city is growing and as the city grows, unfortunately, costs kind of grows as well to maintain that level of service. So, again, these numbers and stats are provided to you on a monthly basis from the Community Development Division. Again, nothing new here. You know, we are growing. We are booming. We are still seeing a steady pace of permits being pulled and according to the analysts right now we are looking at about another 24 months of this decent pace. So, again, we are going to be pushed to continue to deliver this level of service as it is -- as it is today. So, as we continue to grow, you know, we are going to have to look at our revenue sources and, you know, change them accordingly. So, other property tax considerations. You know, as I presented in April we have the intergovernmental cost burden potentially. The courthouse decision ruling. You know, what's that going to do to us? What's that going to -- how does that impact our property taxes. Don't know until we get the ruling and the decision. Road cost share programs. Both Ada County and ITD, as they continue to develop their roads are looking for road cost share from the city, so we are going to have to fund those up front rather than in arrears. We have federal and state mandates, property value assignments. As the state continues to change the way they value rural versus urban and, then, property tax exemptions. Those all impact the revenue sources that we gain -- or we gather from the property tax values. If we wish to fund reserve funds, the public safety funds, the capital improvement fund, the replacement fund, again, these

are all impacts to why we need to consider taking the three percent if we wish to fund these reserves. So, all these items have an impact on how we spend our property tax dollars going forward. With proper planning and management of the property tax dollars we will succeed in meeting the city's strategic goal of being the west's premier city -- community to live, work, and raise a family. So, all these items are taken into consideration when we are developing these annual budgets. So, you have heard me talk about why we need to take three percent. This should look familiar to you. This is a -- this was presented in April, so as a disclaimer, as I stated in April, these numbers are estimates and they are subject to change and they are no guarantee on the amount of property taxes one would pay. So, if you remember, there are four components to the property tax calculation. The base property taxes, three percent or the allowable increase, the new construction, and annexation. The base property tax is a fixed number that we determine -- that is determined by Ada County from the prior year, so we don't change that. New construction, annexation, again is provided to us by Ada County. The allowable is the item that we get to adjust accordingly. As we presented in April, if we were to maximize the three percent it would increase our revenue source by 781,000 dollars. Now, we took this down to a what will Joe pay -- for Councilman Palmer. So, for every one hundred thousand dollars of value we estimate about \$9.78 annually that person or Joe would pay in increased property taxes if we took the three percent allowable. Maybe a different way of looking at it, it would be two coffees at Dutch Bros. on an annual basis to contain and maintain the current level of service that we are providing to the citizens today. So, we also presented to you in April the impact for not taking the three percent property tax consideration. Again, as the base property taxes are calculated those were provided to us by Ada County and we do not adjust those -- or we do not have the ability to adjust the base. That is provided to us by the county. So, if we do not include -- if we do not increase the allowable, the base will stay at that number with the addition of the annexation and the new construction. So, if we forego the 781,000 in 2017 you would not have the 781 in '18, '19 and '20 and so forth. So, as quick math for five years, if we did not take the 781 that would equate to 3.9 million dollars not able to fund future projects and future levels of service. So, as I mentioned, I would up some 2018 items for funding needs for general property tax. As you can see, these items did not make the '17, they will be '18 or '19. Home court funding. We are going to need additional 200,000 for us to run the home court building. Police staffing. We are going to need in excess of 600,000 to maintain the current level of service. Station number six is coming on board in 2018 as planned and we are going to need the 1.3 million for staffing alone just for that. We have some communication fiber network improvements to connect to Ada County, 330 for that. We have a network update and some computer storage replacements, totaling a little over 500 grand for those two. And just like this year's asset replacement, a little over a million dollars next year as well for that. So, if you quickly flip that, it's almost four million dollars alone just in '18 of General Fund property tax needs. So, again, another -- another reason why we are promoting considering the three percent allowable to help us with '18, '19 and '20. So, with

that -- as you can see the city has grown. With growth comes cost of doing business. We believe over the next two days you will hear from all the departments that the city development and population growth is creating higher demands. We are up for the challenge with the proper tools to create the west's premier city. So, with that I stand for -- I guess sit for any questions before we move onto the Enterprise Fund and the next part of the presentation schedule.

De Weerd: Thank you, Todd. Council, any questions at this point?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Madam Mayor, question for either you or Todd. If you could maybe provide us a little bit of background on the decision making process for the unfunded enhancements versus the funded enhancements, what that process looks like?

De Weerd: Yes. I will go through our process. We sit down after we know what our base budget amounts are and our projected revenues and look at -- I first go through and look at -- we had over 90 enhancement requests at that time and I talked with each of the departments and get additional information on it. I believe that each department also talks with their Council liaisons about what those enhancements might be and, then, I put those in a priority. We bring it to the directors meeting and each department presents their enhancement request and we prioritize it and look at how it fell in my initial review and I think that I had a little bit of a gap that we were able to, then, use the director's feedback to prioritize in a couple of different enhancements and, then, I go over it with Todd one more time and Jenny and that proposal is in front of you. But we -- we told you that as you requested you wanted a balanced budget without the three percent and that's why you have unfunded enhancements. Those will be yours to -- you can look at those and say, well, I think this is a higher priority than something that's in the proposed budget or you can also look at incrementally we can tell you what you can add based on one, two or three percent.

Cavener: Madam Mayor, additional question if I can. Todd, where we have a new council member here and I think for me it's always a good refresher -- what are you looking for from us coming out of these first two days?

Lavoie: Madam Mayor, Councilman Cavener, what we are looking for is -- we as a department want to provide you with the information that you need so that on July 20th you guys were comfortable with accepting and adopting and approving the fiscal year 2017 budget. At the end of the day the ultimate authority and responsibility falls on the Council from the budget perspective. So, we want to make sure you guys are comfortable and knowledgeable of the information that has been proposed to you. For the next two days we are going to present to you

a lot of information, both visually and on paper. We would like you to engage us for the next -- between now and July 20th -- even during these two meetings you can engage us, ask us questions, request clarifications. We have up until July 20th to get you those answers, so if we can't get you the answers today or tomorrow, we will get you those answers between now and July 20th. So, engage us, request clarification, request information, we can work with you, work amongst yourselves. That's what we are looking for you -- from you is input, feedback and a dialogue so we can make sure that everybody is comfortable by the end of July 20th with the budget that we propose to the citizens.

Cavener: Thank you.

De Weerd: And, Councilman Cavener, I think that it's also important to note there will be some areas that numbers don't need to be firmed up and that's going to be in the recommendation for the market slash merit increase. We have based it on what the current numbers are. We still have some additional numbers that come in June that we will be able to measure, too. So, this is our -- our best estimate at this time. There is still a few moving parts that could possibly change that we will bring back in July and give you an update on that. But it gives you an opportunity to really digest it, ask some additional questions. We will also be in the subsequent weeks bringing additional information like our prosecution contract, they will be coming and talking about that and so it just gives you information so you can start looking at it and absorbing.

Cavener: Thank you.

De Weerd: It's a lot of information. And as you can see we have been working on it since February. We want you to have that same amount of time to digest it.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Just a comment to Finance and all the directors. One of the things that was done, among others, really, really well this year was we don't have a lot of last-minute changes and that's not easy to do I'm sure. But when we got the book and we all spent time going through it, it was much easier to be prepared for today without a whole bunch of additions and I know there may be things that people want to add late, but that has been a challenge in years prior, so however that was fixed is fantastic and it makes it a lot easier to get through this today.

De Weerd: Mr. Borton, I appreciate that and I think it's also important and one thing I didn't note in that vetting process from when initially the enhancements were put in, is they are vetted to the strategic plan that the Council adopted and we look at that in terms of making sure we continue down the path that -- of the direction that collectively has been decided that we were going -- moving towards

or maintaining in many cases and so I think that's also helped Mr. Borton in making sure that we are solid in -- our crystal ball was dusted off and polished up and you have our best guess at this time. Okay. Anything further? If not, we will roll right into our next item. Enterprise Fund. You're on your own, Tom. You saw everyone hoping up and saying yep. I hear that there is a request for theatrics next year and we can -- we can do that, Mr. Borton.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, someone -- a friend of mine that's watching online, he suggests that we wear funny hats, because he's bored, so maybe we could look into that for --

De Weerd: I don't even know how to respond to that. I've had a couple of things come to mind and I thought, no, that's not appropriate. Mr. Barry, the show is yours.

Barry: Thank you, Madam Mayor, Members of the Council, it's my pleasure to present to you the fiscal year 2017 Public Works Department Budget. We have a lot to share with you in the next two and a half hours and we hope that the presentation that we have for you is both educational, informative, and provides some context in regards to the request that we were making. We will just go ahead and jump right into it. I would say that two and a half hours is a long period of time. If you folks need to come up for air somewhere in the presentation or take a bio break or any of those types of things, just let us know and we will be happy to stop and you can use our services right here that we provide for you at City Hall. So, good opportunity to kind of get the touch point that we're looking for here. All right. So, we will go ahead and start right off. I want to provide you a brief department overview as we move forward, put some context together in regards to what we do in Public Works. We have requested this year the largest budget that the Department of Public Works in the city's history has ever put forward. We are not necessarily proud of that, but I think as we go through the presentation you will begin to understand why that is. Now, this is something that has been forecasted for a number of years and this trend is likely to continue for the next year or two, after which we become a less expensive operation going forward and a lot of that will be shared with you as we go throughout the presentation. A couple of interesting perspectives to keep in mind here. There is 99 employees operating in the Public Works Department, together with a combined level of service or experience of 600 years in the department, so with all of our staff together we have 600 years of service that's being provided to the city so far. We have a 94 percent retention rate and a four percent vacancy rate currently the department, among the lowest that we have had since I've been with the city. We have about seven major divisions. I won't go through each of those. Infrastructure wise we have over 500 miles of water

lines, about 440 miles of sewer lines, six miles of recycled water lines and/or 5,000 street lights that we own and operate. So, customers served we have close to 31,500 water accounts, a little bit less for sewer, and currently we have 73 active projects that we are moving in the -- in the department forward. We will talk a little bit about department highlights. Go ahead and jump into this. We continue to be an award-winning department. We have won several awards this year and wanted to recognize the staff who have contributed also to -- to that piece, as well as some employee recognition component. So, we did win an exceptional performance award in adversity from the American Public Works Association, Rocky Mountain Chapter, for our work on abating the Meridian Heights Water and Sewer District's public health emergency. This was not anything that we caused, it's something that we stepped in and helped to alleviate. We also won an award in the technical and management innovation area for our work in developing and leading the leadership development program in the department. As a matter of fact, this got great Kudos at the Rocky Mountain Chapter for being one of the most forward reaching, forward thinking programs that public works departments have been developed -- or has been developed for public works departments and that's according to the American Public Works Association president himself. So, we appreciate that recognition. Some employees that we want to highlight really quickly. Sean Grover --

De Weerd: So, Tom?

Barry: Yes, ma'am.

De Weerd: Every once in a while you need to take a breath in case there is a question. But I know you're on a timeline and you have to --

Barry: You gave us two and a half hours.

De Weerd: -- talk as fast as possible. I thought your exceptional performance in adversity was how you dealt with NPDES permit and the EPA, so --

Barry: We should get one of those as well.

De Weerd: We will give that to you ourselves.

Barry: Thank you. We will take it. Under employee recognition, I wanted to recognize a couple of the staff. We do try to get these out to you so that you know kind of who the movers and shakers are in our organization. We thought now was a nice time to do that as well. So, Sean Grover, received the Southwestern Idaho Operations Section, a Collections Operator of the Year Award. The Lab Operator of the Year award for the same organization was received by Travis Kissire. Travis went on to compete at the state level and also won the Laboratory Analyst of the Year for the state of Idaho. So, we have some pretty high caliber folks working for us in our department. We are very pleased

with their accomplishments. I also wanted to let you know that Brad Stanley and Murray Jones have just been recently certified as public works inspectors under the American Public Works Association. They are two of three statewide certified -- or obtaining the certification. While I think they also -- was a graduate of the Water Environment Federation Water Leadership Institute -- Leadership Institute. This year we had 12 graduates from our award-winning leadership development program and we had five wastewater staff that also upgraded their licenses above what was required for their position. So, lots to celebrate in the department with regard to awards. I want to touch base on some of the highlights in the department. We have presented to you in this fashion for a number of years. This is the modified balanced scorecard. What this allows us to do is to communicate a lot of information in really five simple categories. The financial, customer, operations, employee and strategy sections. So, we kind of combined our highlights into each of those. There is a lot of information in the next one or two -- actually, two to three slides here. I don't know that I'm going to read it all, but I have memorialized it in the presentation, which you have access to, and I encourage you to go through that. Maybe a couple of highlights that we can touch on here under the financial. We have expanded our rate model from a five year projection to a ten year projection. That's giving us a farther reach into understanding what the future challenges are and how we might need to make adjustments today to mitigate or minimize those -- those potential challenges. We did leave the city's McGladrey Audit Action Plan with both the development and implementation of the improvements that came from the audit. We did modify the equivalent residential unit calculations for the multi-family sector of the department and we implemented and updated water and sewer assessment fees just recently as well that went into effect in June I believe. In operations we have completed about 90 percent of the design for the plant capacity expansion project. This is a tremendous project. You will hear a little bit more about that as we present to you today, but, essentially, we will be adding another five million gallons of treatment capacity to the wastewater treatment plant here in the not-too-distant future. We also completed the construction of the Wastewater Resource Recovery Facility maintenance shop. We've been involved, as you recognized, Mayor, and I appreciate it, in tremendous work regarding the update of our National Pollutant Discharge Elimination System permit, administered under the EPA. Potentially soon to be administered under the state of Idaho if primacy moves forward. We have made some improvements in SCADA, both in operations, water sampling. We are a hundred percent compliant. We also finished the -- and implemented the engineering project management database program, which allows us to be a little bit more efficient in moving forward projects -- engineering projects for the department. Strategically we have been involved in a number of different strategies -- activities. We helped lead the city's strategic plan development. We have updated our departments 2010, 2015 strategic plan. We are also putting the finishing touches on our Public Works tactical plan for 2016 to 2021, which closely aligns and is supported fully -- or it supports, rather, I should say, the citywide strategic plan and we've also developed infrastructure plans for the South Meridian annexation, which we

talked with you about over the last six to 12 months as well. From a customer standpoint we have been continuing with improving water quality for drinking water by putting in water treatment facilities around the city. We continue to maintain over 231,000 square feet of building space with our building maintenance staff. We have also coordinated the expansion of services in south Meridian based on the strategy that we developed and that's having a big impact in the southern area of our town growing. From an employee standpoint we have developed and instituted formal on boarding and recognition of reward programs. We have updated SOP and checklists. We have a lot more work to do there, but we certainly made good progress. We have enhanced employee training, access and incentives for training and we have continued to focus on empowering our staff at all levels in regard to decision making, being good stewards and so on. That's helped I think, along with a number of other activities to elevate morale and improve employee engagement in our department. You might recall back to the city service -- or the city survey, our department had the highest engagement levels on that survey of any department in the city, which we are pretty proud of. Okay. So, here is the budget dollars at work. This is where it gets a little unwieldy. We tried to condense and compress this information down to get through it rather quickly. You might recall being about half of the enhancements -- our department being about half of the enhancements for the entire city and being asked to look at last year's or this current fiscal year's enhancements and also next year's fiscal enhancements, we have about 80 of these things to get through. So, we will try to do it efficiently here. But to give you an update overall on what we are currently working on -- we have 34 enhancements that we asked for in this fiscal year. Twenty-five of them are in progress, about six of them are completed, and three have not been started. So, from a capital standpoint -- I'll get into the specifics here fairly shortly. We are actually making quite a bit of progress in regards to what you authorized us to work on from a capital construction standpoint. In operations and personnel we are a little bit over halfway of the fiscal year and you see, likewise, we are a little over halfway in regards to our expanding the personnel, operations, and maintenance budget for the department as well. Right now we are running about a 90 percent execution rate. Keeping in mind that most of our work really occurs in the summertime period. So, they is still a little bit more -- we tend to have a little bit more higher expenses in the summertime period than we do over the wintertime period. These are the existing fiscal year '16 enhancements. Just on the list here, to give you an idea -- I'm not going to go through every single one and explain them. I just wanted to give you an idea, sort of. These are the water enhancements that we are currently in progress on. You can see we are making good progress, you know, between 60 and 75, 80 percent of these projects are -- on the list are pretty well done, including replacements, new lines, wells, SCADA, a number of different projects. If we move forward and look at the in-progress projects from a capital standpoint for wastewater, we -- we are making, again, good progress. A couple projects, you know, we have a certain amount of staff and we have to take the higher priority projects or those that are most opportunistic or require some sort of logistical sequencing first, so you will see

some projects are a little bit more -- or a little bit more closer to completion than others. This is a continuation of that list. What you will notice immediately is that, you know, there is more wastewater capital projects than there are water capital projects and that was intended and you will see that again in today's requests moving forward in our budget. These are the projects that we have completed so far and we can put it behind us and this list is growing almost weekly as we move those projects that are in process to completion and, as you know, we give you a status update report every year, that the engineers come and talk with you about how they have performed and what projects have been closed out. We call it a project close-out report. So, you will expect to get additional information on this year's fiscal enhancement -- or fiscal year's enhancements at that time. There is three projects that I mentioned that we did not complete and did not start and are not intending to start. Two of those projects were moved into existing projects. Seems to be -- seems to make more sense for us to not isolate the specific projects, particularly the phosphorus removal optimization project, and the BNR or biological nutrient removal carbon distribution projects, those projects were, essentially, rolled into the capacity expansion project and upgrades at the wastewater treatment facility. The surface water sampling station was the last remaining of those three that has not been started and we feel strongly that we do not want to invest in the sampling station improvements until we know exactly what the -- the new wastewater discharge permit is going to look like. We're not certain if we have to do continuous sampling, if it needs to be -- if it can be automated, if it's grab sampling, composites, whatever it is, we just want to make sure that we don't spend any money putting a sampling station in until we know exactly what's required. So, that project has intentionally been held off and it looks like, quite frankly, we probably won't even begin that project in this fiscal year, we will probably be carrying that money forward and you'll probably hear more about that as we get through this fiscal year. All right. So, that deals predominately with the enhancements that we had for fiscal year '16. I will pause for just a moment, ask if you have any questions in regard to any of those projects or if you would like to continue forward on our budget development approach and our fiscal year '17 projects. All right. Thank you. So, sometimes -- this is kind of a nice graphic we thought about in the department. You know, sometimes it's not easy putting budgets together. There is a lot that goes into them, but at the end of the day they're beautiful things, because they allow us clarity in what it is we need to do and sort of, essentially, put together contracts for us in regards to making commitments to you in regard to what it is that we suggest that needs to be done and, more importantly, what really needs to be done from a community service level standpoint. So, I wanted to share with you kind of how we put the budget together in Public Works. It's not unlike the rest of the city. We have a lot of people involved and I want to thank all the folks who are on this list and there are many, many who are in the audience today and back at their desks in Public Works who had some sort of insights or influence in our budget and I want to thank them all. We have a tremendous staff in the department and they do a really good job. Take this line of work and all of their work very, very seriously.

So, we appreciate their contribution. Really, some of the folks that probably deserve a lot of recognition -- not just the executive team and the Mayor, but the Finance team has done an outstanding job this year, have been working very collaboratively with us. I appreciate Todd's leadership and also the support of his staff and I also want to thank Alex Freitag and also Susie Deardorff for their significant contributions in helping put this presentation together and running a lot of the data behind it. Okay. So, there are some differences between the General Fund and Enterprise Fund. Sometimes we forget that and other times maybe it's not quite so obvious. So, I thought I would refresh this slide and give you some perspective in regard to the differences and similarities between the General Fund and the Enterprise Fund. The Enterprise Fund is a monopolistic business. It is sanctioned and governed, but it is a monopolistic business and we run it as a business. The General Fund is also run much like a business, but it is -- instead of getting its revenue from sales of service, it gets its revenues, as you know, for property taxes, sales taxes and other sources. The revenues that we predominately get in the Enterprise Fund come from sale of service. Water and sewer sales and service. We also get significant revenues in the form of user fees. These are connection fees when a developer connects to our system they owe us a connection charge. We get reimbursement and we also get money from the garbage administration fee Revenue, so our utility billing folks bill the Republic Services trash in our bill and we get revenue from that. So, we -- sometimes it will be a donated capital and, then, also interest earnings, which have been modest or you could say a pittance recently, are also where we can get revenue from. So, where does this -- where does this money go? It has to be exclusively used in Enterprise Fund activities, programs, project, services, plans, all of those sorts of things. So, we are not allowed to commingle the funds. So, that's where we keep the funds in the Enterprise Fund and so this allows us some purity regard to being able to model and project impacts associated through our organization going forward and we have been very successful doing that and I think, as you either may realize or soon to realize hopefully in this presentation. There is a lot of things that influence the development of our budget and we have kind of listed a few up here. Obviously, growth has a huge impact on our budget. Regulations drive our budget and what we have to do. The master plans, the Public Works strategic plan, our facility plan -- the list goes on and on. We have a number of inputs that we incorporate into the development of our budget and so we balance these inputs and prioritize them. I want to share with you here is how we prioritize and here is sort of what we look at when we put our budget together. First of all, we want to make sure that we meet all current regulatory and safety requirements. We don't want anyone going to jail and we don't want anyone getting hurt as they run our operation, so that's very important to us. We want to make sure that we preserve our product and service quality area and delivery -- delivery methods and levels. We want to also make sure that infrastructure is adequately protected and maintained. What we put in the ground we've already made the investment, we need to make sure that we continue to keep that investment functional. We also want to improve our utilization of technological resources. We have seen

enormous gains in the Public Works area in regards to SCADA and telemetry systems, automation, asset management -- you name it and those -- those equate to efficiencies for operation, which equate to cost-saving. So, that's important for us. We also want to preserve staff training and improve workforce development opportunities. One of the biggest crises in Public Works organizations across this country, according to the American Public Works Association, is not just an aging workforce, but also the fact that fewer and fewer folks are entering this line of work. So, we feel strategically one of the best opportunities we have as a department to counter some of those trends is to encourage and incentivize and nurture the staff that we already have working for us. Now, there is a flip side to that. City of Nampa can tell you all well that there is a flip side to that. When you increase the competencies, the skills and abilities of your staff members, they become more marketable and as they become more marketable they get offered opportunities outside our organization. So, that's something that we have to counter, which drives market compensation. So, that's a big challenge for us and you'll see a little bit more about that later in the presentation. We also want to make sure that if we do any expansions in the department from an infrastructure standpoint that they are measured, as much as we can make them be measured and that, essentially, they are in the best interest of the community. We don't want to be putting infrastructure in that we don't need or that we don't want. We also want to place a priority on our needs, conserve resources, and, as I mentioned before, empower our budget stewards, because those people at the lower ends of our organization that are doing the good work really know where the best savings are in the organization and we want them to be helping us along the way to find those savings and incorporate them in our budgets going forward. So, what's the outcome of all of this? Well, for the Department our proposed budget that we presented -- that we are presenting to you today is consistent with the rate model projections. That's in alignment with that, so that's good news. We are also continuing to use the pay go strategy. That is pay-as-you-go strategy, which means we don't have any debt. We don't require any debt in the foreseeable future, at least based on our ten year projection, at this point in time, unless things change, and, you know, what does that mean? I don't know. It sort of depends. We don't have any intentions of having to go into debt, but what that does mean is that you go through these periods or these cycles where you save a lot of money, you build up your funds and, then, you spend them down and what you'll notice in our -- and I will have a slide detailing this later in the presentation -- what you notice is that right now the Public Works Department is spending more on paper than we are actually taking in and that was projected and we have the reserves in place to cover those. So, we are borrowing against our savings that we utilized under the pay go strategy and the General Fund does the same thing. We also use just-in-time capital financing approach. This approach allows us to better leverage our dollars on a year-by-year basis for capital projects. We accommodate impending regulatory requirements in this budget. It sets us up over the next few years for those regulatory requirements. We also incorporate strategies to managing growth and the last point I wanted to make here is that we

are reliant in our budget on what we call a responsive management approach, which is consistent with best available information. So, what that means is, you know, you don't know what you don't know until you know it. So, we are asked to put a budget together today off of the best information we have today, but I can tell you in six months it will be wrong and I will tell you in ten months it will probably be wrong more. So, we have to make adjustments along the way and I will talk to you about how that works as we go forward and the Mayor has already alluded to this earlier as we opened up by saying there is additional information that we need to gain or gather. Business processes don't always match budget process. So, we will talk about that a little bit more later. Okay. This is what our budget looks like from last year to this year. Last year we had a budget approaching almost 35 million dollars. This year the budget is approaching almost 49 million dollars. That's as expected. Don't be alarmed. We are in the middle of one of the biggest growth spurts that we've seen in quite some time and capacity expansion at the wastewater treatment plant is very expensive, so are the levels that we are adding and the tens of miles of water and sewer lines and so on and so forth. One of the things I wanted to point out here, though, is that most of the growth in our budget is capital project related. So, this is first temporary if you will. We expect to see a surge as we have been in capital project spending and, then, in about three years we expect, based on our modelling, for that surge to subside. What you will notice here, which is kind of good news, is that, essentially, our operations component, what we call POM, that stands for personnel operations and maintenance, is growing pretty slowly. We are proud of that. What you will notice in the yellow pie here, difference in enhancements from the -- or, excuse me, the difference from the replacements -- difference in replacement from the yellow slide -- or the yellow pie, rather, is simply an administrative or financial moving of replacements from enhancements to replacements as they are really replacements. So, no real change there. So, before we get into the enhancements I wanted to give you a little background on how we set it up, just so that you can understand what we are really presenting to you today.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Sorry to interrupt --

Barry: Yes, sir.

Borton: -- but you lost me on the last comment --

Barry: Yes, sir.

Borton: -- about replacements as -- replacements not as enhancements, but as replacements.

Barry: Fantastic. Let me try to clarify. So, if you look at the pie to the left, you will notice that the 136,950 dollars of replace -- of little replacements there, that's the little yellow pie, is pretty small compared to the one on the right-hand side. Actually, that's not true. Most of the replacements on the pie to the left are buried inside the green section of the pie meaning in the past the Finance Department has required us to put replacements in as enhancements and we have argued for years -- as a matter of fact, Mr. Zaremba, bless his heart, would tell you -- every year he brought up the fact that, well, doggone it, if this is a replacement why isn't it in a replacement fund and not in an enhancement fund. So, the Finance Department worked with us -- and I think they did this across the board in city -- to put replacements as replacements, not as enhancements. So, hopefully, that helps.

Borton: Perfect.

Barry: Okay. So, understanding what we are presenting to you, there is a lot of information on these slides, so I want to make sure that we just don't gloss over it. The staff are going to present you very uniform -- we used a template through all of our presentations, so that you know exactly what the information is that we are trying to present to you. So, this is the template that we use. In the upper left we are going to have the priority number of the enhancement for the division presenting. We will also have the enhancement title. We will have the cost for you of that particular enhancement. We will also include whether or not this was a multi-year project and if it is you will see that it's a year X of a year Y project. You will see that in the upper left of every one of these as well. Then you will get the enhancement description. You will also get the objective number. Now, what this means is these objective numbers are numbers that tie to our city or department planning documents. We were asked to align our enhancements with our strategic and planning document. So, you will see those numbers up there. We won't be explaining all the numbers to you. If you would like to know what the numbers correlate to we are happy to share our strategic plan, comprehensive plan, and other guiding documents, which will help you to support these enhancements. You will see a little button up in the upper right as well. Yes, that enhancement is a regulatorily driven enhancement in the wastewater area. This is for National Pollutant Discharge Elimination System permitting reasons. You won't see these in water. This is -- we just kind of reserve that for wastewater projects. Then you will see this little arrow thing here. It either goes up or it goes right and this is our attempt to communicate to you whether or not that enhancement maintains an existing level of service or if, in fact, it improves or increases the level of service. So, you will see that as well. And, then, finally, at the bottom of each of the enhancements, if it is a multi-year project you will get the dollar amount year by year, both past, current and future. So, with that I will stop for questions, because we are ready to dive right into the wastewater division. So, if you want to flip to your books that's the first area that we are

going to go to and with that, if there is no questions, we will go ahead and move straight forward to wastewater.

De Weerd: Any questions from Council at this time?

Bird: I have none.

McVey: Madam Mayor, Members of the Council, thank you so much for your time today. I think most of you know us, but myself, Laurelei McVey, I'm the wastewater resource recovery facilities superintendent and Clint Dolsby is the assistant city engineer on the wastewater side. So, we will be presenting the wastewater enhancements to you today and today we have 12 enhancements to present to you for a total of about 24 million dollars.

Dolsby: Madam Mayor, Members of the Council, the first enhancement we are bringing before you today is for the Wastewater Resource Recovery Facility capacity upgrades project. So, a little background on this project. We have a limited amount of capacity remaining at the Wastewater Resource Recovery Facility, approximately a million and a half gallons per day, and each year with the recent growth uptick we are estimating we are consuming about -- on the order of about 500,000 gallons per year of capacity at the plant, which doesn't leave us a lot of time and that's why this enhancement has risen to the top and has become such a priority for us. So, also Idaho Department of Environmental Quality has a standard that specifies the design of upgrades to the plant must be started when the plant reaches 80 percent of design capacity of treatment, which we met that by starting design a little over a year ago. So, the Wastewater Resource Recovery Facility capacity upgrade project started late last fiscal year, currently in final design. Tom mentioned it just hit 90 percent. We are heading quickly towards a hundred percent design on that project. It will construct two new primary clarifiers, which are those little green tanks up in the top of that photo, up on the top left; four new aeration basins, which are the little blue tanks there and two new secondary clarifiers which are the orange tanks there at the bottom of that photo, which will bring our plant capacity to 15 million gallons per day, while keeping in mind the NPDES permit requirements, which means that we are upgrading that for capacity, but we are also upgrading it to meet our new permit requirements or at least keeping those in mind, so we are setting ourselves up for that. So, this NPDES driven enhancement funds the third year of the four year project for the Wastewater Resource Recovery Facility capacity upgrades and it supports two of our Public Works strategic objectives. It's currently in final design, on tract to bid for construction in September of this year and construction is planned to begin early next fiscal year and will run through FY-18.

De Weerd: The WWTP is easier or Wastewater Treatment Plant than WRRF or Wastewater Recovery --

Dolsby: Resource Recovery Facility.

De Weerd: Or whatever. I still lose on that, but --

Bird: They had to change, because it's --

Dolsby: Yeah. We have got the name out in front of it now, so -- the next enhancement is the Wastewater Resource Recovery Facility headworks upgrades with odor control. So, the current headworks is shown on these two photos and I know the photo on the right isn't the most pleasant one to look at, but these show the headworks in its current location. This project is designed and construction of a new headworks pump station, which was part of the existing headworks and this new pump station is going to be located near the existing digesters and one of the new -- one of the existing primary clarifiers. Another part of this project is to build a new headworks, which will be -- let me go back one slide. It will be located in -- on the west side of the plant. It's kind of hard to see, but it's near the top -- near the center there is that red box, that's where we are going to locate the new headworks facility. So, the new headworks will be housed in the building with odor control and existing headworks shown in the -- on these photos will be abandoned. So, this enhancement funds the third year of the four year project to upgrade the headworks at the Wastewater Resource Recovery Facility, which supports two of our Public Works strategic objectives. The headworks facility has been one of the largest and continues to be one of the largest sources of odor at the facility. So, by putting a building over the new headworks facility we are going to control those odors, which should reduce the overall -- or will reduce the overall odor coming from the facility. So, this project will be constructed over an 18 month window and will increase the firm capacity headworks and provide better screening upstream of future nutrient removal processes. The next enhancement is for the Wastewater Resource Recovery Facility facility plan update. So, a facility plan is required to be developed and updated every five years for every wastewater treatment plant by the Idaho Department of Environmental Quality standards. The last update we had was in 2012. So, we are due for an update. Additionally, as part of our compliance schedule with the EPA in our opinion permit, the city is required to update the facility plan within two years of the permit issuance, which -- and the permit issuance is expected likely in the late fall or winter of this year. So, this enhancement will address both of those requirements and it will provide an update to the Wastewater Resource Recovery Facility plan. Also supports three of our Public Works strategic objectives. Low nitrogen limits and phosphorus limits in the new permit have really also precipitated the need to update this -- the 2012 Wastewater Resource Recovery Facility plan.

McVey: All right. Enhancement number four is for plant PLC replacements. It's the third year of a three year project and supports four of our strategic initiatives. You might ask what the PLC is. A PLC is a programmable logic controller. So, essentially, it's the -- the brains of the treatment plant. So, it runs and controls all

of the equipment and alarms. So, our old PLCs at the facility were out of date and were no longer serviceable by the manufacturer. So, what that means is if one of them were to fail we would be in a bad way really quick, because those are the pieces of equipment that control the plant equipment. So, we have 21 PLCs at the plant and this fiscal year FY-17 project would complete the upgrade of all of those. With this project we will ensure reliable and serviceable equipment. All right. Enhancement number five is a SCADA control and telemetry upgrade. So, this is the fifth year of a six year project and also supports four of our strategic objectives. So, we just talked about the PLCs kind of being the brains of the plant. SCADA is the front facing interface between the equipment and the operator. So, what SCADA allows us to do is it allows us to control equipment, respond to alarms and collect permit required data. So, we have SCADA at both the plant and the lift station. So, this enhancement would provide the necessary upgrades for the improved consistency, operability and security of our SCADA system. All right. Enhancement number six is for the Boise River pump station and seal water upgrades. So, this is a single year project and supports two of our strategic objectives. So, this is kind of a two-part project. The first part is to repair and upgrade the Boise River pump station. So, this is a structure at the plant that was built in the '70s. It's one of the original structures at the plant and today it serves several purposes. So, it feeds our reclaimed water system. It also feeds our nonpotable water system, which is used for flushing, spraying, and maintaining equipment on the plant and it can also feed the Boise River outfall. So, although we don't discharge to the Boise River outflow, we maintain that as a strategic initiative in the department and the reason we do that is that EPA does not grant new NPDES outfalls. Very rarely. So, it's a real benefit to the city to have both of those outfalls. So, this building serves all -- those three functions and you can see the pictures on the slide are from that building and we have some significant structural damage and we even had an electrical fire in there last year. So, this enhancement would repair and upgrade this building. The second part of this enhancement -- we have an opportunity to put two projects together and achieve some benefits. So, the plant seal water system is used to lubricate mechanical seals on equipment throughout the plant. So, if the seal water system goes down we can lose or damage critical pieces of equipment at the plant. The seal water system currently runs off of city potable water and it is currently undersized and oftentimes unreliable. So, by combining these two projects together into a single building we can improve reliability and also achieved water conservation. All right. Enhancement number seven is for a collection equipment facility. This is, again, a single year project and supports four strategic initiatives. So, you guys know the city is invested in acquiring four large vehicles that are used to maintain and clean the sewer system. So, these vehicles have sensitive electronic and hydraulic components that are sensitive to extreme heat and cold. So, by storing these vehicles indoors we can extend and protect the life of these important critical vehicles. So, we originally had a 1.3 million dollar facility planned for these vehicles. It was included in the CIP and the rate model. However, with careful planning and use of an existing structure at the plant, we can avoid the expenditure of almost a

million dollars by doing this project. It's an ideal location at the front of the plant. It is near the RV dump and also near the -- what used to be the dog pound. So, what this project would do is it would be a minor remodel of the building that was vacated by the police department and it would construct another similar metal building next door to it and we could have all four of our large vehicles at the front of the plant, which is really important that these vehicles are not traveling and navigating through the rest of the treatment plant and it also is a wise expenditure of the city's investment in these vehicles and, then, this project would also allow us to save almost a million dollars.

Dolsby: This next enhancement, number eight, is for sewer line extensions. This is an enhancement that we bring before you every year. It's to fund the building and improvement of infrastructure in the sewer collection system. A lot of times these projects are done in conjunction with ACHD road widening projects. It also funds other sewer line extensions as well in the collection system. The notable projects and really the one that's causing this enhancement to probably look a lot larger than you typically see if you have seen this enhancement before, is the South Meridian trunk sewer project. That's taken the majority of this funding. The other project that would take up the rest of it is the ACHD's Ustick Road widening project between Linder and Locust Grove.

McVey: Enhancement number nine is for a wastewater collection system rehabilitation program software. So, this is a single year project and supports two of our strategic objectives. So, this is a software program that will take our GIS data and it will also take our data that we have collected using the CCTV vans and it will create a data driven prioritized replacement program plan for all of the sewer lines in the city. It will rank the lines based on things like likelihood of failure. So, age or the material that it's made out of or we can also rate it on things like consequence of failure. So, is it by a creek? Does it serve a school? Does it serve a hospital? And we can also add external data like, ACHD projects. So what this will let us do is effectively plan, budget, and forecast and put together our annual sewer replacement plans in a really smart way using the data that we already have. Enhancement number ten is for the Wastewater Resource Recovery Facility safety upgrades. This is the third year of a four year project and it supports two of our strategic objectives. So, obviously, safety is the number one priority at the wastewater treatment plant and each year we continue to do upgrades that improve safety for our employees. So, this year's enhancement will fund several projects, including railing, fall protection, and emergency egress improvements. Enhancement number 11 is for the North Black Cat lift station gas service upgrade. So, this is another single year project and supports two of our strategic objectives. So, when North Black Cat lift station was built, it was kind of out in the middle of nowhere. Now you know growth has exploded in that area of Meridian and as a result of that it's brought natural gas lines closer. So, when this lift station was originally built it didn't make sense to bring natural gas in. So, we installed propane. So, currently we spend 18,000 dollars a year on propane to heat this lift station and with the

natural gas service line we expect to only pay 3,800 dollars per year for the natural gas and so this would be a positive return on investment in less than four years. And enhancement number 12 is Wastewater Resource Recovery Facility underground power line. So, this is one of the enhancements that the Mayor mentioned we are waiting on a few details, so I will talk a little bit more about that. But this is a single year project. However, the cost of the project is spread out over multiple years and this supports three strategic objectives. So, over the past two years the wastewater plant has had three major power outages and all of those power outages were caused by failure on the overhead line, caused by different things, wind, weather, birds, construction workers -- anyways, when our overhead power lines go out our emergency generators cannot run. So, essentially, we are just stuck without any power and the flow keeps coming. So, you will see our -- on the left-hand side here is our influent and during one of the power outages, when we can't run any of the equipment, the flow doesn't stop. So, this instance actually resulted in an SSO, because we could not get the power back up and restored. So, it's really a scary spot to be in when you can't control any of the equipment at the plant or run any of the equipment. So, we've been working with Idaho Power to come up with a solution to improve the reliability and security of the overhead lines of the plant and to do that we would like, to move all of the overhead lines underground. So, most of this cost is spread out over our monthly facility charge. So, the install of all the new power lines would be amortized over a 31 year period. This is the standard way that Idaho Power finances and completes projects. And, then, there would be an additional one time upfront cost for the removal of the old overhead lines. So, we are currently working with Idaho Power to get to a final cost estimate on that and would hope to have that by the final budget presentation.

De Weerd: Council, is your preference to ask questions between the -- the different divisions or at the very end? Okay. Any questions for wastewater?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: One question. And maybe this is a question that could be answered in our July session related to Item 12 with burying the lines. Was Idaho Power able to provide you with cost with paying for it all up front versus amortizing it over three decades?

McVey: Councilman Cavener, that is a great question that we asked and the answer is, no, they will not do that. That is their standard form of financing.

De Weerd: Any other questions?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: One more. Number six. On the slide you indicated there was some -- some fire damage that part of this enhancement will take care of. Maybe some clarification that -- maybe right or wrong -- I would make an assumption that's covered by insurance. Is there a reason why we are using an enhancement to cover costs related to fire damage rather than other financial means?

McVey: Councilman Cavener, so the -- the part that actually got damaged was not the building, it was the electrical panel. So, that's something that our maintenance staff could repair in house.

Cavener: Madam Mayor, one more additional question. On number seven related to the garages, you had indicated that the vehicles are prone to extreme heat and extreme cold temperatures. I was hoping that you would extrapolate that a little bit more. What -- what is defined as extreme and how long is that occurring at that facility?

McVey: Councilman Cavener, so extreme heat and cold would be, you know, when we drop below freezing or above probably 90 degrees. So, these -- this equipment has electronic components on it and they also have water on it, so if we leave them outside say in the winter they will freeze every single night and it will damage the equipment and in the summer if we were to leave them outside - - so, obviously, they work out in the city and the heat and cold, but occasionally when it is too hot or too cold we cannot take this equipment out into the city, because the equipment simply won't function at those temperatures.

Cavener: Follow up? Is that ten percent of the year, five percent of the year, 15 percent of the year? Just base estimate how frequently is that occurring?

McVey: Well, Councilman Cavener, that's -- I'm not sure I can estimate that off the top of my head, but we can definitely get that information back to you.

Cavener: I would appreciate that.

McVey: Okay.

De Weerd: Okay. Any other questions? Okay. Dennis.

Teller: Okay. Well, good afternoon, Madam Mayor, Members of the Council. Thank you for your time today. As wastewater said earlier, we kind of want to take this chance to sit back and introduce ourselves. My name is Dennis Teller, I'm the water superintendent. This is Kyle Radek, who is our assistant city engineer for the water side. Sorry. And today we are going to be going over 14 enhancements for your consideration. The requested water division budget this year totals 5.4 million dollars and is primarily focused on labor resources, SCADA

system upgrades, which thank you Laurelei and Clint for explaining the SCADA and DLCs. Our distribution system improvements and new water supply treatment projects are necessary to improve our operations to keep up with growing demand and service needs. So, before I get into this year's enhancements, I'd kind of like to speak about the city's growth. We have talked a little bit about that earlier, about growth is impacting us and the concerns associated with it in regards to our water distribution system. Why are we on the screen? Oh. I see. Never mind. Apologize. Over the past ten years the size of our water system has increased substantially. We have added 158 miles of water line, now totaling 516. We have seen a 44 percent increase in our -- in our water distribution size. Our water services have also increased during this time by 7,347 accounts and growing. We added 64 accounts just last week. This is a 30 percent increase. So, approximately, we have gone from 23,000 accounts ten years ago to almost 32,000 now. Our fire hydrants and valves have increased almost 17 percent. We have added almost 2,700 units, totaling 19,153 right now that we are currently overseeing and maintaining. And, additionally, due to growth track backflow prevention assemblies within the city has increased by 62 percent. We have gone from a little over 6,000 backflow assemblies to almost 10,000 at this particular point. During this time our complexity has also increased. We have added technology such as SCADA to help with our controls and got set for regulatory needs. Water treatment technologies have also been introduced improving our water quality, but these have added more complex sampling and regulatory needs as well. And, additionally, our system expansion has created operational challenges trying to maintain pressure and flow throughout the system as it continues to grow. As we grow we are just really concerned on how we are going to keep up with maintaining our public health and safety. We need to make sure that our water system is operational and reliable, for readiness for emergency responders and things of that nature. We also want to keep the motivation up and avoid staff burnout from the overall daily work with them. So, during this time of growth we have made some excellent use of our current resources to keep costs low and our services up and technology has played a great role in helping us to do this and, for example, like I said, we have added some things like SCADA to our operations that greatly help and reduce the need for us to physically go out and maintain our wells. It does a lot of remote stuff for us. We have switched from walking and manually reading our meters to an automated drive by system. This has greatly reduced our costs in reading meters and improved our accuracy for our billing needs. And we have utilized automatic fire hydrant and valve operation equipment to kind of ease the strain on staff and expedite the speed at which we can get through the maintenance of these assets. The results of these efforts can kind of be seen in the top screen. It shows that we managed to keep our costs per capita relatively low during the time period, even with the rising cost of inflation. On the flip side we have also incorporated many improvements and efficiencies with great results. We are not finding ourselves quite behind on one of the -- basically in several areas due to maximizing our most important resource and that is our staff. The lower graph shows the number of FTEs that we currently have

compared to service connections and how we stack up against some of our neighboring and like size water communities. Fiscally it shows our ability to do more with less, but it also explains why we are kind of feeling the strain on our programs and our personnel. As shown here the FTEs to service connection, the average is about 821 across the board. We are currently at 1,430 and we are, basically, almost twice as lean as our other purveyors. This ratio we fear is going to continue to increase if we don't add any additional staff and this is what our first three enhancements are going to focus on. So, enhancements one through three are request for additional staffing and they support seven strategic objectives. Enhancement number one is for a cost connection control inspector one. This enhancement will add one FTE to assist in the operation, maintenance and compliance with the city's backflow prevention program, a routine and proactive and site surveying as is required to insure compliance with backflow testing assemblies and as a critical component the city's legal responsibility, protect the water distribution system of public health and their safety. As I stated earlier, in the past ten years our backflow assemblies have increase by 62 percent and our survey program we currently have an 88 percent gap in proactively going out and surveying commercial and residential properties for dual connections and backflow assembly installation. This is a huge vulnerability and a risk to our customers if contaminations were to ever occur. Currently there is only one FTE assigned to overlook and oversee this program. Enhancement number two is for a meter technician two. This is to add one FTE to assist in the operation, maintenance of the city's meter installation, maintenance and replacement program. Their primary duty are going to support of basically our routine maintenance, installation, and testing of our water meters to insure timeliness and accuracy in our utility billing and monitoring of our water loss. With service connections increasing over 30 percent over the last ten years, we have increased, like I said, earlier 7,000 plus service connections. These all require meter reading on a monthly basis and maintenance on a routine basis. Our meters -- and, basically, meters in the industry are operated by batteries and they become less accurate with time and age. They require replacement every 15 years just basically due to their power and their physical ability demand. In order for us to maintain a 15 year replacement schedule we are required to change out 2,085 meters, that's today's current customer base, in order to maintain the schedule and keep them replaced. On top of that also are new meter installs, we average always a thousand new meters on an annual basis. This is cutting into our time for our replacement program. We spend more time installing new meters, basically, than replacing and repairing the ones that we have and as the backflow prevention program there is only one FTE assigned to this program as well. Our third enhancement is for a water operator two, to add one additional FTE to assist in the operation and maintenance of the city's water distribution system. This position is essentially requested to address the concerns of our streets. As our city continues to grow it's getting more and more populated and more and more congested with traffic, making it much, much more dangerous for our operators to be out in the middle of the street working. This is going to address that by allowing and giving them the ability to have two

operators there to perform these activities. Our fire hydrant and valve maintenance programs right now are currently 64 percent behind and they are increasing. We need to make sure that these assets are maintained and verified operational for emergency responders. We want to make sure that our fire hydrants and valves are all open and operational for emergency events. And over the past five years we have seen an increase in these assets over 17 percent, as I stated earlier. Another thing that you might recall, we have an initiative right now to replace all of the valves within the large -- over 35 mile an hour streets with plastic nonpop lids. We have done some of that, but currently we do not have the resources just keeping up with the new assets that are being installed to replace these at a rate. So, this is a -- a concern for us for at least public safety on our traffic. For these particular programs we have only two FTEs assigned, one for the valves and one for the hydrants, so this would add one that would help with both. Adding these two positions will keep us at a level, basically, that our service customers currently rely on. We aren't able to -- if we were unable to have their staffing resources the current gaps in our programs will continue to increase. Some examples of this would be possible slower response times, decreased accuracies in our data, increased risk to the city and our customers for contamination events and it subjects our staff to unsafe working conditions in these types of streets. One thing to note with the current growth and rate of the city is, as was mentioned earlier, we are going to require additional staff in the future to keep up with these services if we do continue to grow at the rate that we are.

De Weerd: Dennis, before you move on, I think it's important that you explain the water meter operator. You changed it, so I don't have it in front of me, but --

Teller: I'm sorry.

De Weerd: -- but they do water meters or valves and fire hydrants. On the valves it's important to have two at the -- the location for safety reasons; correct?

Teller: Correct.

De Weerd: Can you perhaps explain that a little bit more?

Teller: On the valves?

De Weerd: Just why it's important in the safety aspect of the workers to have that second person to insure that safety aspect.

Teller: Okay. Madam Mayor, the reason that we -- we require the second person is with traffic now at the speeds that they are traveling, most of our major arterials are four lane roads, so in order for us to operate our valves the majority of them are located within the lane of traffic, so when we park to maintain a valve -- I will go back to a picture right there at the -- at the bottom of that, he is facing

traffic with the value machine and if someone were to swerve to avoid him, the next person would be right there and not have that warning. So, our basic mandatory thing that we do to operate and maintain these are we have two vehicles, we have one that's basically a pilot car behind that is setting up traffic cones and traffic safety apparatuses to divert traffic and prevent people from coming up on these workers unannounced.

De Weerd: I thought that that was important to note.

Teller: It is. Madam Mayor, thank you.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: While we are doing this, Dennis, explain to -- to us adding these three boots on the ground is the first extra employees -- the boots on the ground that you have had since we probably were -- had 20 customers -- or 20,000 service and now we have got 33 service -- isn't that about right?

Teller: Correct.

Bird: And this is the first boots that we been able to hire?

Teller: Madam Mayor, Councilman Bird, over the last ten years, depending on the different charts and graphs that you look at, this is within one or two FTEs over the last ten years that they have been added, so -- yeah. Okay. Enhancement number four is for 300,000 dollars and supports six strategic objectives. This is the second year of a three year project for the final phase of our SCADA system upgrades, as Laurelei explained earlier about SCADA. Basically under the direction of our SCADA master plan this enhancement will focus primarily on upgrading our PLCs. In the past previous years we have been upgrading the PLCs at our well houses. We are finishing our final one actually this year, but this is going to address our 26 pressure reducing stations now, along with programming and control upgrades necessary to incorporate these into our SCADA system. These sites control our water distribution between our five different zones. The city is broken up into five different zones. We monitor and maintain pressures and flows between these and these PLCs actually monitor this and control this information for us. Currently there are nine CRBs that are being upgraded this year and this was approximately -- we will take care of another five in this next year. Our SCADA project upgrades over the past four or five years has greatly enhanced our controls and brought critical data and flexibility to our system. It's amazing our new system that's so much more information that we have ever had before. Not completing this upgrade would definitely negatively impact the work done to date and the ability to bring back the information we need for regulatory standards. Okay. So, enhancement number

five and it's for 100,000 dollars and this supports three strategic objectives. It's the second year of a five year project to design and implement needed security improvements at the water system well houses and our admin facility. A little bit of history. Security needs have been handled in the Water Division on kind of an as-need basis. As we see a need we have been coming in and asking for it. But a few years ago it was felt that a complete survey evaluation of our facilities was required, so we kind of took a step back to kind of identify all the vulnerabilities at once, you know, help standardize our designs and tried to get them protected as quickly as we possibly can, knowing what we do. A good example here. You can kind of see these are blurry, but this is Well No. 18. It's over at -- at Locust Grove and Ustick and this is in the middle of an HOA. As you can see there is no fencing around the building. It's kind of been one of their -- their open space areas to kind of part of a park. Here is Well 19. This is a new facility constructed at Ustick and Ten Mile. This is actually our newest treatment facility. It has the new standards of our fencing, which was identified in the vulnerability study, as well as our locking and warning signs to keep people out. That is something to mention. Actually, several months ago this site at Well 18 was compromised by one of the local homeowners. They mistook this building as their irrigation well and wanted to shut the power off, so they could do some work and actually were able to go over and disconnect our power source. They didn't cause any damage, but this is the one good example of why we want to make sure that we can identify these facilities and keep people from -- from accessing them.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Real quick. Dennis, on this slide if the concerns are as weighty as you say, why would we wait and spread out the improvements over four years?

Teller: Madam Mayor, Councilman Borton, we have done this just on the fact of just the sheer size of what we need to do we -- it requires a lot of planning and forethought in upgrading these sites. They are -- most of our well sites are buried deep within subdivisions, so we have been working with HOAs with time to make sure that we are building something that is aesthetically pleasing to them, as well as functional for us.

Borton: Okay.

Teller: Yeah. Okay. The outcome with this vulnerability assessment, we sat down with Homeland Security and we, basically, developed a plan, which I have kind of spoke about, but what we were going to start from -- and have already started to do, is that add site fencing, things like motion detectors, building access and border security. Our admin office currently -- I'd say probably 30 percent of our storage building at our admin office acts as a security border for our facility, which is not a good thing. We need to make sure that we have got

fencing around it as well. On electronic door access, so we can know who and when people are in or out of the building to make sure that they are locked and secured and, of course, security signage. Not continuing with this security improvement plan will definitely leave our sites vulnerable to security breaches and leave us vulnerable to potential damages.

Radek: Madam Mayor, Council Members, Enhancement No. 6 is Well 15 reconstruction for 100,000 dollars, year one of the two-year project, which supports four strategic objectives. Well 15 is one of our most productive wells in the system since 1994. When it was constructed it pumped more than five billion gallons of water into the system. However, there are two concerns with it. Number one is that the water quality has degraded such that the Water Division doesn't want to pump it. Mostly hydrogen sulfide and Manganese. And the second concern is it was constructed with older materials -- or constructed with different kinds of materials that we don't use anymore and it is reaching the end of its service life. The well casing is approaching corrosive break through. So, the project is a two phase project over two years, first to top off a sand filter pack and abandon the lower screened intervals, which would result in improved water quality and, then, after that first phase we would test the water quality and make sure we have got the water quality where we want it and, then, we would line the existing casing this next fiscal year and, then, extend the service life of that well by 25 to 50 years. Enhancement No. 7 is water main extensions similar to the sewer main extensions. This is an enhancement we see every year and similar to sewer main extensions it's significant, 2.2 million dollars, supporting one strategic objective. It funds design and construction of water line extension project to expand and improve the distribution, many of which are in -- including ACHD projects and just like the sewer main extensions, one of the major projects where -- we are doing this following year is the ACHD Ustick Road widening project from Locust Grove to Linder. The other two significant water main extension projects will be the Locust Grove and the Lake Hazel water main extension, which is the south Meridian project and the Amity Road and Linder Road project, also south Meridian. Enhancements 8 to 10 are all wells at different stages of their project life. As these wells provide the next drinking water source to the city, they are a three year project life in general and they include a test well, production well, and pumping facility. Well 29 is the first well in pressure zone one of the distribution system and it is in year four of four. We hoped that last year would be finishing year three of three, but the project was delayed. Year four of four and the 400,000 dollars requested will fund -- provide the remaining funds needed for the pumping facility next year. Well 30 is in year three of three and 650,000 dollars is being requested for the pumping facilities for that well next year, which is in Reflection Ridge. That well just completed the supply well days ago. We are hoping to get chemistry back in a couple of weeks for the supply well and since I forgot to mention Well 29, the production well is underway and drilling -- the surface seal is in place and drilling of the main bore will start Monday. And Well 32, our last project on this slide, is in -- currently in year one and this enhancement is 400,000 dollars for year two of the three year

project, which is the supply well and currently the test well has just been completed out there and we should be taking samples for chemistry next week to find out what -- what the supply is at Well 32, which is in the Biltmore Subdivision, will look like and these enhancements all support four strategic objectives and I think that's all I need to say about those. Enhancement No. 11 is Well 22 water treatment. We have just completed -- we have completed two water treatment facilities in pressure zone two. With the completion of Well 27 this summer we will have completed all the water treatment facilities we need to supply maximum daily demand in pressure zone two. Well 22 water treatment at a cost of 800,000 dollars provides the year one financing for the first water treatment facility in pressure zone three, supporting two strategic objectives. This is a particularly important location as it is the -- the only supply in the southwest portion of pressure zone three and consequently since it doesn't -- it doesn't get pumped very often, it results in -- in us losing a little pressure and wasting quite a bit of energy to get water from the other side of pressure zone three supply, the customers in this part of the pressure zone. So, this project will have a great impact on our ability to supply clean, safe water efficiently and including the Roaring Springs, which is also in that -- in that area.

Teller: Okay. Enhancement No. 12 is 420,000 dollars and it supports three strategic objectives and it's to fund the purchase of two critical pieces of equipment for a water divisions maintenance and repair section. Having this equipment available will provide faster response times, better customer service, and shorter outage times for routine emergency maintenance and repair activities. The first piece of equipment that we are asking for is a first response trailer. This is a trailer that's going to be loaded with critical first-response pieces of equipment, traffic control, parts, sump pump, those types of things. The second is a loader slash lift that will assist in moving heavy materials around and loading and unloading the dump trucks. As the city expands and our infrastructure ages, the need for these resources are required to operate and maintain the water system in its current level. As I said earlier, we currently have 516 miles of lines and we have a little over 30,000 assets when you start talking about fire hydrants, valves, water services, blow offs -- there is a lot of infrastructure out there that needs to be maintained. I know that our water system -- it seems like it's relatively new, within the last 20 or 25 years, but we are starting to see increases in failures. Over the past ten years there has just been several a year that we can count, basically, on our hands and toes, but in the last year we had over 88 failures. In the last two years we've had over 15 mainline failures that we have had to handle in house and requires equipment to be able to do it safely and effectively. Some of those big ones you guys might recall would be Franklin. We had a large main break that took off most of the road and closed it down for quite a while. Our crews handled that within four hours and got it up and running. So, kudos to them and all the work they have been doing on getting this program up on its feet. Some of the benefits of these - - of these two pieces of equipment is -- like I said earlier, they are going to decrease our response times. They are going to provide critical emergency

equipment. The first time we roll out, so there is no need to shuffle vehicles and staff back and forth to get this equipment on site, like we do now. It's going to increase our safety when we are handling heavy materials and also the efficiency of handling heavy materials as well. It's going to eliminate especially the need to transport the backhoe that we -- we replaced a couple years ago back and forth from job sites across town to load and unload heavy parts and materials and -- and dirt and other supplies that we get from and to these jobs. Payback on this equipment is going to be realized within three years and without these -- without these purchases and if we keep up to the current roads that we have with our system, our current services are going to start to degrade without the -- the ability to have this equipment on site and available when we need it. Enhance No. 13 is for 30,000 dollars. It's year one of two and it supports one strategic objective. It is going to support the Water Division safety improvements. Basically it's going to be and have been identified by our new safety coordinator. This is a practical approach to better protect our staff, our contracts, and our public around our utility facilities. As you know safety is job one and it's something that we take very seriously. Some of the things that we have identified that you can kind of see in the picture, this is actually -- we have talked about PRVs. They are like -- there is 26 of them all over town. You don't know them. When you walk by them they just look like hatches or manholes, but these particular vaults can be very deep. They require ladders, fall protection, like you see here, so you don't accidentally fall in. Some of the inventory improvements on our shelving, we want to make sure that that's safe when you're in and around inventory and, then, also some of our ladders on our reservoirs and some of our buildings, we want to make sure that we have adequate protection on those as well. This enhancement basically is not funded under the improvements that we have already identified or need to -- need to these facilities and we just want to make sure that we can provide as much as possible for our staff. And enhancement number 14 is in the amount of 60,000 dollars and it supports four strategic objectives and it's for the purchase of property needed for the Well 9 reconstruction project. This project is actually year two of four and there is a couple years in delay here, because we -- we realize that this well does need to be replaced, but not yet at this moment, so we are definitely preparing what we need to do to make sure that we can replace this well. A little history on Well No. 9. It was constructed in 1977, so it's one of our oldest wells in the city and it's one of our best wells, so we definitely want to make sure that we keep that. This enhancement is to basically look at the property to the north -- if you can see where this property is, it's off of Franklin just a little bit to the north. It's kind of in an industrial area. It's vacant property here. We want to see if we can expand to the north. A recent evaluation last year basically concluded that we need to get a little bit more property in order to replace the well at this location and make sure that we have the proper spacing for the new regulations behind in the new well. If we do not fund this enhancement we are going to have to look elsewhere, which is really an unfortunate situation. We want to make sure that we can keep this location. It's in a good area for this zone and we have good water quality. If we relocated to another area it's going to cost us more money for a test well to

find out what the aquifer is underneath that. With this existing well and a known water quality, we will be able to replace this at a much lower cost without needing those extra facilities. So, with that I thank you. That was our enhancements. Are there any questions?

De Weerd: Thank you, Dennis. Any questions from Council?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Same question on the water facility safety upgrades. Is there a reason that those costs are spread out over the next four years versus doing it all at once?

Teller: Madam Mayor, Councilman Borton, we have got -- we have some -- shown in the slides some enhancement improvements that we know need to be taken care of now and that's what this will cover. We do have this as year one of two, because we do have a new safety coordinator on board that will be going through and evaluating in much more closer detail on some of the safety improvements that we need, so we want to make sure that we have the funding available to do those upgrades when identified.

Borton: Madam Mayor? The -- if I'm looking at the right one -- was that number 13? It shows an expectation of additional funding each year for the next five years of 25,000 through fiscal year 2021, which is different than the slide. So, that was -- my question is if it's truly over five years?

Teller: Madam Mayor, Councilman Borton, just -- and my understanding this was a two-year project. That's what we were shooting for.

Borton: Thirty this year, 25 in '18 and, then, this fiscal year '19, '20, '21 are not anticipated?

Teller: Not anticipated.

Lavoie: Madam Mayor, Councilman Borton, Dennis, it looked like the document that we may have provided you in your books does show the 25 grand every single year, so it looks like that is in error compared to what the proposal here is. So, please, I guess adjust or disregard that. Let's go with what Dennis is stating, that it is a two year project, not the five year cost that we provided. So, we apologize about that.

De Weerd: Any other questions from Council?

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I guess -- my question is regarding the -- priority number one. This inspector, is he -- or she -- does this person -- I'm still trying to in my mind -- we were talking about backflow systems; right? So, we have 10,000 backflow system. They are required to be inspected every year and certification sent in. So, is this person going to be doing inspections or are they going to be just checking off to make sure that the inspections were properly sent in?

Teller: Madam Mayor, Council Woman Milam, what this person will be doing -- we are not -- we are not responsible to test the actual assemblies. They are privately owned assemblies that we are required to make sure that they are tested. So, this person will be monitoring and maintaining the database for the testing. So, we -- we actually send out reminders. Kind of -- if you kind of imagine it's like our billing system, we just deal with -- with tests instead of money, so we want to make sure that -- that our customers are notified that they either need a back flow assembly, which they have been doing surveys to identify if they do or don't. Then they will also be following up to make sure that the customers are notified when these tests are due and make sure that these tests are received and input into the system and rescheduled for next year.

Milam: Madam Mayor, follow up?

De Weerd: Uh-huh.

Milam: So, basically, this is an administrative job?

Teller: It's a field position with -- it's a combination of administrative and field position. They do physical field surveys on-site with customers and they do administrative work, making sure that the input and data that we received on the test is in the system and correct.

Milam: And this is a secondary position?

Teller: This is a second -- this is an additional cross-connection inspector. We have one cross-connection inspector two that handles all these 9,000 -- almost 10,000 accounts.

Milam: Okay.

De Weerd: Mr. Cavener.

Cavener: Madam Mayor. Maybe a question for Finance. Related to the -- the three positions, on our sheets I'm noticing a couple different colors of numbers, some lighter blues, and will you just provide me some clarification if that's just a

-- a printer malfunction or is it supposed to designate something that we need to be aware?

De Weerd: That was another test to see if you were paying attention.

Cavener: Well, then, we all passed, because I'm sure we all noticed that; right?

Lavoie: Madam Mayor, Councilman Cavener, so what you're looking at on -- if we are looking at the very first name, you will see some light bluish shaded colors. What that represents is those are numbers that Finance input after we received the document from the department. So, it kind of notates the audit trail or change trail, so if it's black that means that's what we received, we didn't change, but if it's that light blue that's something we have adjusted accordingly.

Cavener: Great. Thank you.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Yeah. I need to go back to -- on your Wastewater Resource Recovery Facility capacity, you have got 11,335,000 under predesign and the total -- the total thing is 30 -- well, what, 34 million and we are spending 11 million for predesign?

Dolsby: Madam Mayor, Council Member Bird, the design of the project -- total design cost is 3.187 million that is -- the budget that's approved for -- to date, we have that 444,699 that was -- that was '15 and another 2.9 this year, that's the total design cost and, then, the '17 cost of 11.335, plus the 18 of 16.79 is the construction cost of the project.

Bird: 3.1 million total?

Dolsby: 3.187. Yes. Correct.

Bird: Okay. Why is this under predesign, all 11 million of it?

Lavoie: Madam Mayor, Councilman Bird, I can go ahead and clarify that. What you're looking at, Mr. Bird, is the GL description that we are utilizing for this large project. So, this is a large project. We have decided to work with the engineering division to put all the monies into what we call the predesign function for the city and, then, as they complete and design their functions we will reallocate those monies according to the specific projects. So, we needed a holding -- kind of a holding pen for the 11 million dollars. So, we selected to use predesign until Warren and his staff actually have the final defined numbers and, then, we will move the money out of that predesign into headworks or clarifiers.

So, right now it's just kind of a holding place, so we can budget 11 million dollars for the city.

Bird: I guess if you can put 11 million dollars in a holding place that's fine with me.

De Weerd: It's not miscellaneous.

Bird: It's not miscellaneous, but I will tell you what, to me that has been on Tom for -- and Warren for years about the percent we are paying for design and stuff and I look at this, I'm going, man, when we had our pre-deal, Warren and Tom never said a word about this much design and I'm going -- if somebody in the public looked at this and it says pre-design and we got a total package of 34 million and you have got 11 million up here and probably the three on top of that --

Stewart: Madam Mayor? So, Councilman Bird, I appreciate that. I think there is a couple things to keep in mind, maybe to elaborate a little bit on what Todd said. Yeah. So, the total cost of this -- the design for this is -- it's going to be around ten percent, which is a very realistic number for the overall cost of the design for this type of a project. In addition to that, one of the things that we are trying to get a better handle on is the ability to actually track the exact cost of each asset, so that we can depreciate it over time. We don't know at this stage of the game what percentage of the capacity project is going to be clarifier number one and what's going to be clarifier number two. So, we put this in this bigger pot of money, knowing that the overall cost is going to be 11 -- well, actually, total cost 37 million dollars and if we get this into construction and we are able to identify the cost for each one of these various components, then, we can allocate that to the appropriate location, so that those costs for a clarifier or for an aeration basin can be tracked independently. So, that's kind of what it's about.

Bird: Madam Mayor, follow up. And, Warren, I agree with you and as we discussed before when we do our close out from that one, the design or consultant cost is going to be part of the cost out, which it hasn't been in the past, so I appreciate that, but I just wanted to clarify that. I thought it was wrong, but I -- but you got that before. Thank you.

De Weerd: Okay. Any further questions for Warren?

Cavener: Madam Mayor?

De Weerd: Or wastewater. Mr. Cavener.

Cavener: Question on Enhancement No. 12, equipment trailer, the front-end loader. A couple of questions related to this. I guess the first one -- and maybe I just don't recall this. I have always remembered that when departments have

brought enhancements for a piece of equipment, they have brought enhancements for each individual piece of equipment and so I'm just trying to understand why we are doing an enhancement for two pieces of equipment, if you can explain that to me.

Teller: Madam Mayor, Councilman Cavener, we just combined these -- these basically two enhancements into one as critical equipment for our maintenance division, since it was for one particular section of our department we wanted to just combine them into this one and make it one package.

Cavener: Madam Mayor, follow up. Can you -- I appreciate the mind set to save costs. I think that's the right move and I'm grateful that our departments are looking at that. Can you articulate what our real costs, then, have been on -- on the loader -- if we haven't rented a trailer of any sort -- I guess I'm just trying to wrap my head -- this 35,000 dollars in annual rental cost and I'm just trying to figure out when you say we are going to bring this -- we are going to recoup our investment in three years, that's just related to the loader?

Teller: Madam Mayor, Councilman Cavener, that is related, actually, to both pieces of equipment. Primarily to the loader. Current rental cost for a piece of equipment -- actually, smaller than the size we are requesting -- is almost 3,000 dollars a month.

Cavener: Okay.

De Weerd: Follow up. And I guess just for -- I need some clarification on -- on request number six on the back, it says that we only spent 31,000 in rentals over five years versus 35,000 dollars annually. I'm just trying to figure out which number is correct. That 80,000 dollars, 100,000 dollar difference.

Teller: Madam Mayor, Councilman Cavener, the actual correct number would be 31,000 annually.

Cavener: Okay.

Teller: Yes.

Cavener: Great. Thank you.

Teller: Okay.

De Weerd: Okay. Any further questions?

Barry: Madam Mayor, Members of the Council, I will pause for just a moment before we continue and ask if you feel like you need to take a break. We don't have too much left, but I would say we probably have maybe a good 40 minutes

or so, possibly, so -- maybe a little longer. Depends on what you would like to do.

De Weerd: I think a break would be good. Okay. We will reconvene in 15 minutes.

(Recess: 3:00 p.m. to 3:21 p.m.)

De Weerd: Okay. I will go ahead and get the meeting started back up. And we will begin with building maintenance in Public Works.

Teller: Madam Mayor, I'd like to kind of go back to one of the questions asked earlier with Councilman Milam about cross-connection.

De Weerd: Okay.

Teller: I just want to make sure that -- that Council understands what the position is. It's kind of one of those unseen, unheard of the positions that I got to give you a little bit more detail on and our cross-connection control is -- it's a very important program for our city. It's kind of not really the right time of year, because we are right in the middle of testing and making sure that they are all tested within the city. But it's kind of like code enforcement, I guess, for our water system. What these cross-connection inspectors do -- their main duties are to go out and survey properties -- we are targeting a five-year survey cycle. So, if you can imagine if we have 10,000 of these locations that we have to go to, these are both commercial and private locations. We go out and we look at the premises and we inspect them for -- for hazards and potential hazards that they could have and some examples of these could be dental office that have equipment and stuff that are hooked up to the water system. People that have private photography studios. Churches that have baptismal pools. Anything that you could have a hose or some kind of a connection -- connected to our potable water system that could get either pushed back or sucked back into our -- our water distribution lines. Another thing that they are also out there looking for that's kind of unique to the area is dual connections. Not a lot of areas in the country have an actual pressurized ultimate source of water that they use for irrigation. This water is unregulated. It's not treated. If that were to be connected to our system and pushed back, which it very easily can -- most of the irrigation lines within the city run at a much higher pressure than our distribution system, so if we had one of these lines connected to our lines or if we had an assembly -- backflow assembly connected to your lines that was not working or improperly installed, that water could go right back into our lines and feed -- it would, basically, slow our wells down and recover that water with irrigation water. So, the cross-connection general inspector we have currently, as we have only had one FTE assigned to this program since its inception, so they have been trying to handle from year one to, you know, what we said ten years ago about 6,000 accounts, that's -- that's a large amount to try to make sure that you're

servicing on a -- on a five-year cycle, making sure that tests are sent out -- notices are sent out, tests are received, the data is correct, everything is updated and since then we have added another three to four thousand assemblies to track on top of that. They also are working with Community Development hand in hand with all new development that goes in. So, they are actually going and performing plan reviews for all new construction and tenant improvements. So, when you have a commercial building that -- a bookstore goes out and a dental office goes in, we make sure that we have the -- the proper backflow prevention built into the design on that and they also follow up to make sure that it is installed properly after it is constructed. So, this additional cross-connection inspector will be assisting the current inspector with these field duties and, like I mentioned before, there are administrative duties. It's just like code enforcement, they have got to go out, they have got to inspect, they have got to make sure that things are done properly, but they have also got to make sure that things are done on the backside properly, so that we maintain an accurate database and we can protect our system the best we possibly can. So, I hope that kind of explains what the cross-connection program is and what these positions are and why they are so valuable to us. They definitely are the eyes and ears making sure that our system is protected from anything that has happened or that can happen in the future.

De Weerd: Thanks.

Milam: Madam Mayor?

De Weerd: Yes, Mrs. Milam.

Milam: Thank you for the clarification. That did help a lot. I'm just picturing them keeping a database of cross-connections and why do we need two people to do that. So, I really appreciate the additional information. What percentage of time would you say they are out in the field?

Teller: Madam Mayor, Council Woman Milam, the percentage that they are out in the field -- during the winter months -- another thing to explain about our backflow prevention program is they are all tested and they are all operational during -- the majority of them through the irrigation season. So, basically, from March, April in through September that is when we are the busiest. That is a lot of investigations, follow up with customer issues, finding the problems that we have. So, it's probably 50 percent to 75 percent during that time. In the wintertime it's mostly in the field surveying. That's when it's our slow time. We have the ability to go out and do commercial buildings. They don't run a -- on a calendar of a season, so a lot of their stuff is inside and protected. A lot of the irrigation accounts are not. So, they are four seasonal. We spend a lot more time surveying and in the field in the wintertime.

De Weerd: Thank you. Appreciate the clarification. Okay. I will turn it over the building maintenance and Public Works lumped together.

Barry: All right. Madam Mayor, thank you. Max Jensen and I will be presenting the few enhancements we have for the building maintenance and Public Works components of our organization and up first we actually have building maintenance enhancements, followed by the Public Works one. Max will talk to you about the two City Hall Plaza and parking building maintenance items and, then, I will address the market analysis and the Idaho Power It Starts At Home animation. So, with that I will turn it over to Max for building maintenance.

De Weerd: And where do you want them to turn in their binders?

Barry: Public Works. Okay. I'm not really sure. I thought it was Public Works. Where is it, Todd?

Lavoie: City Hall.

Barry: City Hall.

De Weerd: That was a test.

Barry: That's right, we launched -- you did it with the General Fund. I guess I failed miserably on that one. I apologize.

De Weerd: Okay. Max, go ahead.

Jensen: Good afternoon, Madam Mayor, Members of the Council. So, for those of you that don't know me, my name is Max Jensen, I'm the manager of the capital projects and facilities division of Public Works. I have two budget enhancements to present to you for today. The very first one here -- in 2015 the Department of Justice assessed the City Hall campus for compliance with the ADA standards. Two noncompliances were documented and a pending settlement agreement and that was shared with City Council last year. The first of the two is at the amphitheater. Two designated wheelchair spaces are supposed to be provided in the front row. The current configuration is a continuous chair seating and does not allow for the wheelchairs in the front row. So, this first enhancement is for removing two areas of the existing seating and constructing two designated wheelchair spaces in the front row. Those spaces are --

De Weerd: And even if we don't agree with it we still have to do it; right?

Jensen: For compliance, yes.

De Weerd: Just clarifying.

Jensen: And for the second one, it's at the City Hall campus parking. The east parking lot needs -- needs to have the corrected ADA designation parking sign stall installed at the correct height. The current one is not the correct sign and it's installed at the incorrect height, of course. The Broadway Avenue parking needs another ADA designated parking stall, a designation parking sign and ADA accessibility ramp. So, this second enhancement is for addressing the east parking lot sign, marking the additional required parking stall on Broadway with paint and sign and cutting out a portion of the sidewalk and replacing it with an ADA accessibility ramp. The one that's in the picture.

De Weerd: That's not legal?

Jensen: What's that?

De Weerd: So, the sign there is not legal?

Jensen: This picture I took over at the Meridian Police Department Public Safety Training Center.

De Weerd: Oh. So, that one is legal.

Jensen: Right.

De Weerd: Okay.

Jensen: So, we need to add a sign. We need to add the paint. The aisle and cut off concrete to have the slope.

De Weerd: Thank you, Max. Council, any questions?

Bird: No.

De Weerd: That has no comment.

Bird: Madam Mayor. Max, on your building maintenance I see you got 63,000 -- or 64,000 in there and what is -- what is that covering? Is that going to fix the fly situation up in our -- off the roof there and our barrel?

Jensen: Madam Mayor and Councilman Bird, what you're looking at is a bookkeeping error. So, the 12,000 that was in there before the fly is -- is actually going to be taken out of there and struck out, so what it's going to be is 52,000.

De Weerd: So, Mr. --

Jensen: Yeah. So, it's -- probably taken out and installed, it's going to be 51,343.

Lavoie: Madam Mayor, Councilman Bird, Max, just to give you an update, the items that we provided you earlier this morning -- that Jenny provided you with changes, there is a 12,000 dollar change for the City Hall function. That's what you're referring to. We provided you the top level summary sheets. We did not go in and provide you with the 5-D part, we were trying to limit the amount of documents we provided during that time period. So, what you're doing --

Bird: That's my fault for not looking at the right place.

De Weerd: Well -- so, if you will just note under replacement building maintenance would be 63,000 minus 12,000.

Bird: Yeah. Be down 51 something.

Lavoie: Correct. Right.

Jensen: 51,343.

Bird: Thank you.

Jensen: You're welcome.

De Weerd: And we didn't think getting rid of flies was worth 12,000 dollars. So, we bought some fly swatters. Actually, we went to a conference and got them free. Okay. Tom.

Barry: All right. Thank you. I will just move this along here. So, next we have two enhancements in the Public Works Department. This will be in the Public Works section of your budget document.

Bird: Are you sure?

Barry: I'm pretty darn sure this time. All right. First we will start with the market analysis. So, the Public Works Department and the Human Resources Department have been working together for a few months and both in conjunction with our Mayor and the Public Works liaison to talk about challenges that have continued to mount in regards to filling key positions in the Public Works Department, particularly in the engineering section. We have been running a vacancy rate for the last year in the engineering section of about 30 percent. If the -- about ten staff there, have been down three positions. We just filled recently, after a long delay, the project manager position. I don't know if -- Jared was here earlier. It looks like he -- there he is. There is our newest project manager for the department. Thank you, Jared. He comes to us from the city of

Caldwell. So, we are grateful that he's joined us. And that leaves two positions still available and we are having a heck of a time recruiting engineering level positions. This has been a trend that has occurred for quite some time. So, we started some dialogue with the help of the Human Resources Department to do an initial check with other jurisdictions locally on how their experiences were going and we found, actually, the very same situation Nampa, Boise, Caldwell and the like. We even noticed this is the case in United Water, which is now Suez. So, we have tried to evaluate what the issues are in and around the vacancies and also the time it's taken to fill vacancies and the compensation levels that people are having to move towards in order to acquire talent in organization and it's all pointing to, essentially, a project that we have been underway for maybe two to three months now on with Human Resources, which is a market analysis for those critical positions. Preliminary data from the market analysis shows that while in many cases we are in alignment in some areas of the organization, there are several key positions that we are not aligned from a market standpoint and that is not only the case with Meridian Public Works, that is the case with several of the jurisdictions locally. So, with the help of the Finance Department we've been doing a market analysis that they have been utilizing their resources for and we are grateful to. We initially -- when we put this enhancement together over a month or so ago, month and a half or so ago, we had to take a guess as to what we thought maybe the full impact might be on some sort of market analysis number. I'm happy to say that the preliminary data we have received back shows that 225,000 that's being requested here is far above what we believe we need. Preliminary data suggests that we should be able to make adjustments based on the market analysis results that would come in less than half of this number. So, that's a good -- that's the good news story. I do want to make a statement in regard to this enhancement in that I don't believe that we should be considering this as an enhancement. I would much prefer to see this as an amendment to our budget and the reason that is is because we -- once we find the data out, which we are -- we have got the data back, we are just churning the data and making it presentable and getting ready to walk it through the appropriate vetting and approval processes. I don't think it's fair to ask our staff to wait five months for an increase that they have coming to them based on the market analysis. That is not in accordance with compensation policy, nor is it in accordance with the Department of Labor standards for the state of Idaho. So, my preference would be to pull this enhancement and with your approval come forward to you with an amendment of an amount about half of what's being requested here. As a placeholder in that amendment we feel strongly with the Human Resources staff that we won't need more than that and, then, they allow for that process to move forward and for the amendment to take effect once the data has been substantiated. We strongly believe that we can have all of that work done before the end of this fiscal year, so looking at the amendment process such that -- and recognizing that it ends in June -- no additional amendments are allowed after June, we feel like we can move forward with an amendment here in the next couple weeks and take care of this business probably in July or so, if not sooner. So, what we did do, however, is we placed it

in there as an enhancement just as a placeholder in the event -- because we weren't clear on what the timelines were going to be when we undertook the project and now that we have the data back we feel like we can move forward more quickly than we had anticipated. So, the good news is we think it's going to be less than half and I don't know if it's good or bad news, but we would also like to ask for your concurrence in taking this out of our budget as an enhancement and putting half of it in as an amendment for this fiscal year to take effect as soon as you authorize that information. So, I will pause for a moment of time. I can imagine you probably have several questions about this, so before we move forward I will give you a moment to ask questions.

De Weerd: Well, Tom, I think that when it's finalized it will come for discussion in front of Council.

Barry: Uh-huh. Yes, ma'am.

De Weerd: So, probably more important to talk about it then.

Barry: Okay.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I think -- though I think Tom is right, we need to figure out whether are we going to leave the enhancement in are we going to take it out?

De Weerd: Council, if -- once we do a market analysis and we find that we are severely out of line -- out of market, there is a requirement or a duty to bring it into line. So, it would have to come back as a budget amendment and we will work with Finance and HR when those numbers are finalized.

Barry: Thank you, Madam Mayor. Okay. The next enhancement is a little more light-hearted. We have an opportunity here to partner with the Idaho Power to extend the It Starts At Home video series. You may have seen one of these shows. This is an award-winning series that has been developed to showcase and educate the public in regard to our water system, our wastewater system and also Republic Services partnered with us on the last one to highlight garbage and trash removal under the theme that, you know, all of these services really touch people in their home, meaning it starts at home. So, I was approached by Idaho Power staff a month or two ago, maybe a little longer than that, to inquire as to moving forward on this series and including an electrical component. This was something that was in the plan years ago -- I should say maybe two years ago, but was dropped for a couple different reasons. The opportunity has resurfaced. Idaho Power has actually repackaged their approach and has also suggested that they could contribute much more to the project in and around

their in-kind contribution. So, come to find out that Idaho Power has quite an extensive capability in regard to video editing and also development of videos. You may have seen some of their recent videos on their Centennial in the series that they put together on that. So, the project that's being contemplated now comes at a significant discount compared to overall cost of these things in the past, because Idaho Power is generously donating a lot of B roll or what we call background footage. They will be donating studio time. They can be doing voiceovers, video editing, and those types of things. So, they are interested in doing a video -- very similar to what we are talking about to serve all of their customers and so they have said, well, we will let you use all of that information and we will even let you tailor it to Meridian residents, but you will have to pay for that component. So, that's what this 17,000 dollars is, is to kind of tailor a segment of the program to Meridian customers where we think we can talk about things like electrical use at the treatment plant, conservation approaches and policies that the City of Meridian is utilizing, the energy efficiency at City Hall, the police station, a number of different things. The best news here is that this conceivably would cost us nothing, because we do apply for grants or incentives, if you will, from Idaho Power from time to time for projects that meet their conservation strategies, and this 17,000 that's being identified here is actually a redeployment of those incentive funds that we expect to receive on a project coming due here pretty quick. So, this is actually, we would suggest, a no net increase -- or, actually, a no cost project for Meridian ratepayers, since we will just be reprogramming the Idaho Power money that we would be getting back as an incentive to do this project. So, we are pretty excited about that, both in cost and also in the way we finance it. So, that is all we had for Public Works Division of the Public Works Department.

De Weerd: Council, any questions on this last content?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Tom, maybe you can go back through slide number two related to the video package. Why should we bring this in as an enhancement if you anticipate grant funding coming for this, that we don't just do it as an amendment once you receive your grant funding?

Barry: Well, certainly, Mr. Cavener, we could do that. The idea behind the project was to shore up funding to give Idaho Power essentially the go ahead for them to approve -- for them to put into their budget and approve money for their budget or essentially staff resources to work on the project with us. So, it's, essentially, more a good-faith gesture. We could certainly wait until we have incentive monies and, then, redeploy that through an amendment later. That would work just fine and, then, we could give the Idaho Power staff, you know, some sense that the Council is supportive of it, we are just going to do it in a

different way. I think that would be totally fine to do it that way as well. We typically include them as enhancements, because you folks tend to like to know what's on the horizon for us and where we are going to spend our money and what projects we are working on. So, that's why it made it into the budget.

De Weerd: Well -- and we need spending authority, so we've done this in our Police Department with the grants that we anticipate and that that money would only be spent if the grant was received. Anything further?

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: So, is that known that it would only happen if the grant is received?

Barry: Madam Mayor, Councilman Palmer, it's -- I want to make clear it's not a grant. It's a reimbursement -- it's not even a reimbursement, it is an incentive that comes back to us in the form of a rebate when we comply with their energy conservation initiatives in the rebate program that they offer. So, it's not a -- it's not a grant. I know it sort of sounds like a grant, but technically it's not. We intend to receive those monies and use those monies for this project and that's the budget authority we are asking for. If that doesn't come we would not likely move forward on this project, unless you provided approval through the Enterprise Fund to move forward.

De Weerd: So, I think what the question is is that you can put parameters that if the rebate is not received the spending authority is not granted.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Understanding that it's a rebate, Tom, can you provide some explanation to Council about what other types of projects those rebate dollars could be used for?

Barry: Uh-huh.

Cavener: And maybe -- I think we have used those dollars on other projects here at City Hall in the past, maybe for every Council Member to share what some of those have been.

Barry: Sure. So, my understanding of the rebate program is that there is no strings attached to it. Much like the hundred thousand we got back for City Hall, we are able to deploy that to any number of things. I think -- I think the City Council used partly of some of it for art and partly some of it for other energy

efficiency projects I think at the police station. Typically what we would like to do is keep that funding in a -- in a mechanism that is what it was intended or what it was received for. So, some sort of energy conservation type of program or project. Essentially, when we did our turbo blowers we used variable frequency drives at the wastewater treatment plant for the turbo blowers and we got a big -- we were eligible for incentive there. Those monies come back to us and could be redeployed to offset really anything. The budget cost, if we want to say, oh, well, that just lowers our cost by X dollars or could be used for education outreach, environmental programs as some of the dollars have been used for or can be just returned to the ending fund balance and not used at. Maybe for future offsetting of other projects or just to build a fund. So, really, there is no strings attached to it. We would like to redeploy it to, you know, sort of -- use the money for the same reason we received the money, which is for energy efficiency and in this case to reach out to the public about things that they can do at home and things that we are doing in Meridian to help conserve money. The wastewater treatment plant, for example -- or Wastewater Resource Recovery Facility, is the largest consumer of electrical power in the entire city and we have been doing quite a bit out there to curb those costs and we think that there is some good stories there the public can learn from and I think even businesses can learn from as well. So, again, that's the reason we think there is good benefit to putting this to this type of work and not just to showcase what we are doing, but also give ideas on what folks can do at home and to also allow Idaho Power to reach out to their consortium as well, which happens to be our ratepayers as well.

De Weerd: Mr. Cavener, in the past to the rebates I'm aware of they have gone back into the General Fund. The monies or rebate we got with City Hall, Council at that time wanted it to be used exactly for the reason we got the rebate. It went into incentives for energy, small business start-ups that were energy related and because the public art piece had reusable and energy-efficient -- certain qualifiers to it, they put it into public art. So, it's been themed, the money that I know of, and rebates have been used for the purpose they were received for and I think this is consistent with that. Any other questions? Okay.

Stewart: Okay. Madam, Members of the Council -- I think everybody knows me. Warren Stewart. I'm the city engineer. Austin Petersen is our utility and streetlight coordinator and he is -- was gracious enough to let me come and make this presentation --

De Weerd: How very gracious.

Stewart: -- on streetlights. So, I'm going to talk to you a little bit our streetlight enhancement, which is, of course, a General Fund enhancement. Typically and historically we have -- we have requested 50,000 dollars a year to do streetlight projects within the city project. Those streetlight projects -- projects have focused in two areas. One within safe walking routes to school -- in other words,

enhancing lighting on routes that kids take to get to school, as well as putting streetlights in areas that may deter crime. So, we have focus primarily on those things historically and it's been 50,000 dollars. You'll notice that this is significantly higher this year. There is embedded in this 150,000 dollars -- it's the same 50,000 dollars that we generally ask for to do those same types of projects. In this particular one there is 20 -- or there is 30,000 dollars which will install streetlights that are in the same types of areas. In other words, a safe walking routes to school, dark intersections, school bus stops and so forth. So, there is 30,000 dollars which is set aside for that, which is consistent with what we have done historically. There's another 20,000 portion of this, which is, essentially, the city's match for a grant that we jointly applied with ACHD for and we received to do -- it was a local highway safety improvement grant that basically -- in conjunction with ACHD will pay for street lighting along Cherry Lane between Meridian Road and Linder, which also happens to be a significant walking route to school. There is many kids that walk that route. But our particular portion of that grant is 20,000 dollars. ACHD has paid 75,000 dollars for the design out of their pocket. They will also be contributing another 18,000 dollars towards the construction. The estimated cost for those lights is about 312,000 dollars. So, for our 20,000 investment will be getting about 412,000 dollars in value, not including the 75,000 dollars in design work that ACHD has already paid for. So, I think that's a pretty significant return on our investment. The final 100,000 dollars is -- well, you may remember -- some of you -- in 2013 we came to the City Council, city staff did, and -- to talk to them about -- to talk to Council about doing street lighting along the roadway improvements to Settlers Park when it -- ACHD did the Ustick Road project. There was some question at the time as to whether the city -- we had actually received questions from outside -- whether the city was going to follow its own policies for street lighting and put streetlights along that corridor and so we brought that question to the Council and the Council direction is, yes, you should go ahead and include that street lighting, so that it is consistent with what we would require private sector developers to do. So, we went forward at that point and worked with ACHD to get that included in the design for the improvements to help with the Ustick Road improvements. ACHD has -- is going to pay for all of the conduit. They are also going to pay for the streetlights at the intersections, as well as the intersection approaches. But the city will be paying for the balance of the street along that corridor. So, that's the other hundred thousand dollars. It's not necessarily typical what we would normally come back with, but we were directed by Council a few years ago to include it in that project and with that I will stand for any questions.

De Weerd: Any questions? Okay. Thank you, Stewart. Tell Austin you did a good job filling in for him.

Barry: Madam Mayor, to finish out our presentation, you have heard about all the enhancements we are requesting in regard to the fiscal year '17 budget. We have been asked also -- all the other departments have been -- to talk about future challenges briefly and put in context sort of what we should expect in the

next fiscal year, perhaps those thereafter. So, I wanted to talk briefly about our enhancements -- in particular for the operational variability that is inherent in this process and in two different contexts. First, business and budget cycles and, second, we are in a mid-course correction. So, first, I wanted to present this graph to you. This is a graph borrowed from just classic statistical process control diagrams and this, essentially, talks about estimate variance when we put together projects and, you know, on the left-hand side of the axis there is the estimated variance, on the bottom is time, and greater uncertainty occurs earlier in time, whereas you have less uncertainty later in time. So, typically the high -- or the two yellow bars there represent the high estimate and the low estimate when we are putting a project together. The bars -- or the red arrows in between the high and low estimates are, essentially, variance or the amount of variance in our estimates. So, when we put a project together typically the concept stage where we are conceiving the project, trying to figure out what the -- what the criteria -- success criteria are, what we are going to have to actually do, that happens earlier in and, of course, variance tends to be fairly high. As we move forward into design of the project we get more information and we are able to firm up the actual estimate until finally we get to a point where we are able to create a bid and we get the information back from the bid and that's where we get the actual cost. Now, this all makes sense to everybody I'm sure. However, sometimes we are criticized for creating situations -- or maybe not creating, but for the reality of situations whereby amendments are needed along the way, because the budget process that we are involved in right now doesn't necessarily coincide with this business process for generating project estimates. So, for example, right now for some of our projects we are giving you estimates that are in this range, because we are pretty early in the project concept stage, where in other -- some of our other projects we are a little further along in the design stage, so we can give you a little better accurate -- accuracy in regards to the budget. So, we don't really know until we get to the bid what the actual cost of the project is going to be. And typically we do fairly well, but on occasion, you know, we are either under and in some cases even over. So, that's why amendments sometimes factor in and that's what I was referring to earlier in the presentation about this sort of -- this flexible budget approach that we rely on as we move through the fiscal year to compensate for those types of variances. The second thing that we also wanted to point out is, essentially, course corrections or mid-course corrections and I have mentioned to you this when we talked to you about the sewer cleaning truck. When we put our budgets together -- for example, let's take a budget in fiscal year 2012. That budget gets put together in 2011, just like today's budget -- or I should say fiscal year '17's budget being put together while we are in fiscal year '16, but I got to rely on earlier data. So, we take projections based upon past trends and sometimes as we move forward in time those trends either increase or decrease. This is actual data that shows required corrections that we have to take in the development of our budget. For example, the capacity expansion project at the Wastewater Resource Recovery Facility has been moved up, because growth has accelerated beyond our initial projection. So, we have increased the number

of wells that we are planning to add to the city's well field and the like. So, we just wanted to keep that sort of in context as we go. We don't have a crystal ball and we don't have all the answers today. This is a constant process and sometimes these processes are juxtaposed to one another and sometimes they conflict with one another. So, let's get to department challenges. We have three main areas that we are -- we can categorize our department challenges kind of going forward. The first is in maintaining levels of service. The second is sort of accommodating new regulations and the last is growth. So, when you look at all of these together, they drive our cost of doing business, every one of these, both independently and collectively. So, let's look at them just very quickly independently. I cannot operate this department in fiscal year '17 and do all the same things I did this year at the same cost. I can't do it. There is no way to do it. I have electricity that increases. I have chemical costs that increase. We have natural gas and fuels that increase. Labor increases. Equipment and materials -- and the list goes on. In fact, the CPI tracks this stuff and this is the CPI actual numbers on inflation. These are national numbers. They're not Idaho numbers. And you can see they vary, you know, by year, depending upon economic conditions and whatnot. But cumulatively over the last nine years there has been a 16 percent increase in the cost of doing business just on the CPI nationally. Now, if you look at this in the construction field and you use the ENR, what's called the Engineering News Record numbers for the construction cost indices, you see that the number is much higher for the same time period. It's almost 26 percent. Ten percent higher. That has a lot to do with labor availability, cost of materials and supplies and those sorts of things. So, our cost of doing business rise simply by doing the same thing next year that we did this year. Now, we also have increases to service levels. Some of these are directed by the City Council. City Council has asked us to extend services to south Meridian and those services are going to cost us eight million dollars to do. We have water treatment for brown water. We were directed to improve water treatment for our water system and those water systems add additional cost to our -- to our overall budget. Odor controls, the Wastewater Resource Recovery Facility are also service level increases that we have to accommodate. So, the two together compound one another. From a regulatory standpoint the regulations do not stop. This is -- these are like waves on an ocean. Every single wave crashes is -- seems like a new regulation for us and these add enormously -- and particularly at the wastewater treatment facility it adds enormously to our cost, requiring us to increase staff, upgrades to the equipment, upgrades to our processes and I have got some examples here. Just in this new permit that we are going to receive we have to sample four times more often than we have been in the past. So, instead of 1,000 samples we have to take a month, we have to take 4,000. We have four -- or we have four currently in our permit effluent limits. We will have 14. So, they almost -- almost quadrupled. The number of reports and plans that we have to file increases by sevenfold and we're going to be going and monitoring and measuring performance down to the parts per trillion basis, instead of part per million bases. All these impacts cost us money, whether it's advancing the technology to meet these requirements,

increasing the number of projects to have the technology, increasing number of staff to run those -- that technology and those equipment and processes and, then, overall increased personnel, operations and maintenance costs accordingly. The third leg is growth and growth is a big driver for us in our budget as well. I think you have seen this slide before. On the left side we have a map of the U.S. This is something we looked at last year that the -- United Van Lines put this migration study together and in their study they found that the state of Idaho is blue here, along with some of the other blue states -- all the blue states identified here are states that people --

De Weerd: We are not a blue state.

Bird: We are not a blue state.

Barry: Well, I don't know if United Van Lines knew that or not when they put the graphic together, but they have actually recolored that for you. Anyway, the dark -- what do we call that? Dark --

De Weerd: The dark gray.

Barry: Navy. Yes. Navy color. Are all the states people are moving to. Idaho happens to be the fourth most desirable state in the entire nation right now. That's where people are moving, according to United Van Lines who did the study. And I'm sorry we don't have a lot of people in the room. You can't see on this right-hand side the two population numbers here, but this shows the Idaho population change year by year and this shows the City of Meridian and you can see while they both go up, the City of Meridian significantly outpacing Idaho's growth, but that's nothing new to you. I thought this would be kind of fun for you to see, kind of what this means. So, in 1920 this is what the town looked like ten years after incorporation. Less than -- about a third of a square mile. By 1990 it looked like this. In the year 2000 it looked like that. Then between 2000 and 2010 it grew significantly and, then, 2015 it looked like this and, then, with the latest annexations and projects, we have added significantly more area. So, the town is growing like crazy. But sometimes we don't realize until we look at things like this as to how significant that is. When you go back -- I mean let's just go back to 2000. So, 16 years imagine the water and sewer infrastructure and sewer and water lines and wells and lift stations, all that has to be added to the city in order to accommodate this growth and the same is true in the General Fund service area. We have to add additional police officers, additional firefighters. We are covering more area. We have got more to do. So, that increases, essentially, the cost of doing business as well. These are the actual numbers. You have seen this before, so I won't dwell on this. But we continue to see a rise in both commercial and residential development and it doesn't look like it's going to stop. Mr. Lavoie had mentioned that -- at least for another two years we are going to be in this -- in this boat based on projections. So, what does that mean? Let's sort of give some statistics here. Idaho is the 12th fastest growing

state in the nation. There are 20,000 cities in the United States. We are number nine when it comes to pace of growth right now. Meridian has been the fastest growing city in Idaho for two decades straight. Between 1990 and 2000 our population tripled and, then, it doubled again between 2000 and 2008. We don't have the latest numbers. What does this mean in Public Works? That means we are struggling in Public Works. I may be quite frank with you. We have a lot of infrastructure, a lot of things to do in a very short period of time. We're adding infrastructure, equipment, materials and supplies, human resources, and all of this means that our growth is occurring in the form of expenses in our budget. So, the budget process is a fantastic process, because it really is a process whereby we are making and meeting and managing commitments. So, we make commitments to the City Council that we can provide the type of services that you made commitments to the community each time you approve a subdivision. So, it's all about us working together to meet those commitments. Just to give you a sense, about -- for the last 12 to 18 months there has been an average of about 130 ERU permit, equivalent residential units that are permitted per month. That means based upon our census numbers we are adding roughly about 375 people to this community every month or about 4,500 people per year. We are adding a thousand accounts every year in the department as well. So, what does this mean? If we just look in the last two years for the Department of Public Works we have had to add in a two-year time frame 46 miles of water lines, 406 fire hydrants, four wells, 53 miles of sewer line. This is enormous. So, it stands to reason that we are going to have increased budgets and we are going to have a need for increased staff. There is no way around it. We cannot maintain the service level and grow the way we are growing in addition to trying to maintain service levels without growth and meeting regulatory requirements. This is what the forecast looks like for the department moving forward. Over the next ten years we believe that we are probably going to be in at about 375 million dollars. Two hundred of that will be capital projects and 175 of that will be personnel, operations and maintenance. So, from the capital side about 50 percent of it will be growth related capital, 12 percent will be replacements and 38 percent will be upgrades. Largely regulatory driven. The developers pay all of the growth related components. That's why we model and we adjust the hook up charges or the assessments. The ratepayers pay for everything else. So, 275 million dollars of ongoing operations, maintenance, and regulatory compliance components. But there is good news. As our budgets increase year over year and they will continue to increase year over year, so does our revenue. As we add new people to the city they pay connection charges and they are paying their fair share of the rate. What our job is to do is to make sure that we balance the receipt of revenues against the expenditures and budgets and what I'm here to say is that we seem to be doing a pretty good job of that. We have stabilized the fund and we do see -- while this graph shows that we are spending more currently and have been for the last few years, that was forecasted. We are able to weather that, because we are spending ending fund balances that were saved up during the time where we didn't have a lot of growth and we didn't have a lot of folks being added to the community. The next couple of years beyond fiscal

year '17 looks like we get back to a point where revenues and expenses come back into alignment and stabilize and that's what we are excited about. So, we are managing through a bit of a hump, a bit of an expense hump right now, but that doesn't mean that we are going to return to budgets from a personnel, operations and maintenance standpoint to budgets we have today. So, again, as I mentioned, cost of service continues to rise no matter what. So, specifically in our department here is the challenges we are going to be looking for over this next year or two. We are going to continue to add water treatment facilities. Our maintenance programs continue to have to grow, thus, the enhancements that have been requested today. SCADA complexity. While it's wonderful to have SCADA, which is, again, Supervisory Control And Data Acquisition technology, it's complex stuff and -- and it's getting more complex. But that's going to continue. Aging plant infrastructure, as well as repair costs -- the treatment plant was built in 1976 and it's been under construction ever since, mostly due to growth expansion, and so there is a lot of new components. But there is a lot that still needs to be upgraded and Laurelei spoke to some of those projects earlier. Increasing operational costs we have mentioned already and, then, the need to determine the future or reuse. This is something that we will have to bring back to you as a separate discussion, but our reclaimed water program is something that we need to talk about, because the new permit kind of changes the game in regard to how valuable that program there may or may not be. From a growth perspective we are going to continue to add new wells and storage facilities. New water and sewer lines. We have this capacity expansion I talked to you about. Again, this will all increase maintenance and operation costs and also staff requirements. On a regulatory standpoint we have the unregulated contaminant monitoring rule number four, which is UCMR-4 coming in fiscal year '18. This is going to require us to sample for things that aren't yet regulated, but the EPA would like to have regulated, so we have to develop data on that and, guess what, that stuff can cost us tens of thousands to over 100,000 dollars. That's big money to -- to sample. Lead and copper rules, as well as the revised total coliform rules -- there is additional tweaks going on in those areas that increase our operating costs, particularly from a sampling and inspection standpoint. The new NPDES permit -- we have already talked long and hard about that, so you know there is a big cost coming associated with that. And, then, 24 hour staffing is going to also be required for the new permit limits in certain areas of the wastewater division. That's going to increase our operating expenses. And, then, again, as we talked about reclaimed water or the reuse -- well, we also want to talk to you about the reuse permit which is coming up for -- is coming due for the reappropriation, if you will. All right. So, this is what it means financially, kind of moving forward. Essentially, we expect to continue to increase our capital spending probably about four or five percent next -- from fiscal year '17 to fiscal year '18. The operations and maintenance will probably increase by another three percent from fiscal year '17 to '18 and, then, personnel increase about five percent with the addition of about four to six additional staff in fiscal year '18 budget. So, you're not surprised about that. Now, that always leads to the next question. You know, how are we going to pay for all of this

stuff; right? Well, we continue to model this and we continue to come back to you every year and share with you the results of those models and tell you how we are adjusting or making adjustments to both projects from a timing standpoint, the addition of staff, all the way down to operational changes that we are making, try to improve efficiencies and those type of things. So, we will continue to do that. But right now the forecast that we have in the model for the next ten years looks pretty good. It looks pretty stable. So, that's good news as well. So, I just want to put that in context for you and with that we are, essentially, done with our presentation and we will stand for any questions that you might have. Just lastly I do want to thank both Kyle and Dennis and Max and Warren and Laurelei and Clint for co-presenting with me today. I think they did a fabulous job and I appreciate all of your preparation time and experience in sharing that with the Council today. So, with that we will stand for questions.

De Weerd: Council, any questions?

Bird: I have none.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I do. And it's maybe something that -- to chew on between now and July 20th. Excellent presentation and data. One of the larger things that jumped out in reviewing of the material is the -- and you described the reason why, but use of the existing fund balance to fund a lot of the capital expenditures for this coming fiscal year. It showed the use of just a little over 18 million of the fund balance, leaving a projected balance of just over 14 million. When I look at that figure in conjunction with next year's expected capital outlay for the Wastewater Resource Recovery Facility upgrades, six -- almost 17 million dollars, it appears as though the entire available fund balance after reserves is to be allocated next year; is that correct?

Barry: So -- Madam Mayor, Councilman Borton, it certainly appears that way. Now, what isn't included in the numbers that you have is next year's revenues. So, we will get all of next year's revenue that will add to that and offset. So -- and that's what the model does is it takes in those revenues, it adds an inflationary factor to -- and a growth factor and these other sorts of things. So, to get into the specifics of the model it could take us some time and I would be happy to meet with you separately and go through those, but suffice it to say that the model does reach out ten years and it incorporates all of that information and does project the ending fund balance and shows that with reserves as capable of sustaining the short-term expenses and then -- and, in fact, I kind of don't want today this, but maybe I will give you a little hope, we are hopeful that if we can get through this swing, we may be able to reduce the EPA surcharge that we put in place a few years ago earlier than we had thought. So, that's what we are kind

of keeping our eye on at this point in time. I would say there is no reason to worry at this point in time, based upon our analysis so far.

Borton: Madam Mayor, kind of tied to that is -- there was some discussion about the way the General Fund can allocate reserves towards repair and replacement, depreciation, capital improvement, planned expenditures. Is there -- is there room for that concept -- not today I understand, into the forecast for the Enterprise Fund as well? So, when we are looking at those reserves that are -- we call them unallocated reserves, really, they are. Is that concept being followed?

Lavoie: Madam Mayor, Councilman Borton, to answer your question, the answer is yes. We can incorporate the same philosophies to both the General Fund and the Enterprise Fund and we are continually discussing those avenues to plan for the future and develop for the future. So, I think over the next many months you will hear more dialogue from the Mayor, from Finance and the supporting departments on this concept of developing reserve funds for the city's future.

Borton: Okay.

Barry: Madam Mayor, if I could just add to that. It's a fantastic question, Councilman Borton and our rate model already incorporates that philosophy. So, you can see our replacements and our repair projects are already separated out that way. We just haven't done it through the city's financial process, if you will. So, we are modeling that way and we are kind of -- kind of working together with the Finance Department to get the General Fund and the Enterprise Fund to take that step together. So, hopefully that helps.

De Weerd: Okay. Any further questions? Thank you, Public Works.

Barry: Thank you.

De Weerd: We appreciate your being here and each of your presentations. Up next is our Police Department. Okay. We will go ahead and continue with our Police Department budget presentation and I will turn it over to Chief Lavey.

Lavey: Madam Mayor, Council, thank you for the opportunity to speak today. This is a little unique for us, because we always seem to go last and going first under the General Fund is different for us. A couple things. I heard Councilman Borton say I would hate to follow that last presentation. Really, the last few slides Mr. Barry justified what we are going to ask for today. So, really, I think our slides are just going to compliment what he had already said. In fact, I would probably just submit handwritten right away and that would suffice. I also worry sometimes that -- I like to do things a little more simpler and so comparing my slides to his is often not fair, but I think you will see this year that some of our slides have a lot of data on them and because of that I have simplified the

presentation I'm going to give today and hope that we can go fairly quickly to get to the point of discussion at the end. And, then, I also have a -- a couple of handouts for you that I would hope that you take back, process, look through them, and ask questions -- hopefully before July 20th, but if not on July 20th. So, we have a lot of data. The other thing is I heard Councilman Palmer say something about a friend watching online and think you all should wear funny hats and I looked in my office for a funny hat and I really didn't have one and at the time he said that there was only two people watching, so I figured it was either me and that person, but I have a hat for you, but, in fairness, we only had one, so I didn't bring it, so --

Palmer: And he was in Cleveland, so --

Lavey: I want to talk about the budget dollars at work and what we basically did is went back and looked at some of the things that we presented to Council last year and I really want to talk about what we did with those dollars. As you recall we were in a -- a pretty lengthy construction phase for not only the training center, but the department remodel. Both of those are complete. They were complete under budget by about 360,000 dollars, so that's always nice. That money went back into the General Fund. However, we did use some of that money to offset some of the other projects -- other repairs around the facility, rather than bringing up enhancements this year. The fleet coordinator position -- this person has been fired. It's -- we hired her from Fairly Reliable Bob's. She was the service manager for Fairly Reliable Bob's. She had been there for many, many, many years. First week she was on the job she already submitted to Chevrolet for reimbursements for repairs that we paid for that we shouldn't have paid for, because of recalls. She has proven herself already and what's unique about this -- because we are going to talk about it later on, is that she is a civilian position and she took over a role that was currently -- or was previously done by a sworn position. We took that sworn position, reallocated that within our office of professional responsibility and we now have a civilian not only doing the patrol cars, she's doing the entire fleet for the department, so it's gone quite well. We have added smart phones to the patrol officers. Gives them the ability to contact our citizens -- stay in contact with our citizens on cases. We added a motor officer position. This was a grant position, so we are in year two of -- of the grant position. It will run out after FY-17 I believe. In FY-18 we have to cover all costs for that.

De Weerd: And, chief, is that a tiered contribution? So, 75 percent, 50 percent, 25 or --

Lavey: Madam Mayor, Council, it was a little bit more unique this year -- or this last year, because it is a tiered position, but because of the one grant we submitted failed, the state went and grabbed other funds, so I think it wasn't quite 75, 25, 50, 50 like it was. I don't know what those breakdowns are. It is tiered, but not in those same figures that we are often familiar with, because it's state

grant monies, not federal grant. We added two additional patrol officers and we added an executive assistant to our nonsworn staff and I'm happy to say that we have had the ability to reach our deadlines with Finance, because there was quite -- quite often we were not meeting those deadlines with a lot of all our -- our bills and other things and I think our command staff will testify to you that the person that we have in charge of the finances now is quite demanding on invoices and when to submit them, so -- been quite successful. These are the successes that we really want to talk about. We hear this every single week. We celebrate this every single week. But this is the thing that we need to remind ourself. This is why we do what we do. We are the best place to live in the United States. I heard that in Tom's presentation. I'm reminding you again. You will probably see it again and again and again. We are the best place in the United States to live. When we often see those comments, whether it's USA Today or the Wall Street or some other public safety publication, they are always citing low crime rate, public safety, and, again, Kudos for Parks for the reason why this is a great place. The other thing is I would like to celebrate -- and I would like to have Lieutenant Colaianni briefly explain what it is for some of the other Council members, but we just went through our reaccreditation for the Idaho Chiefs of Police and what's unique about that is that when we -- three years ago when we submitted our request to be accredited, we were the 14th city in the state to be accredited in the entire 88 cities within the state of Idaho. They told us that we would have that accreditation for five years and, then, they changed the rules to three and so Lieutenant Colaianni has had to work diligently two years ahead of time to try to get us reaccredited and it presented a challenge with the -- the building remodel, because in the building remodel we made changes to evidence, changes to protocol and it really -- it created a -- some work for him. So, I would like for him to just briefly touch on what it really means to be accredited with the Idaho Chief of Police Association.

Colaianni: I'm always brief. You should -- not really, but -- Madam Mayor, Council Members. Yeah. Thanks, chief. Ninety-four areas is what the ICOPA standards come in and evaluate within our department. Ninety-four areas -- everything from how we process new hires, the procedures we have in place for use of force, pursuits. How we handle evidence. How we handle discipline internally. How we are accountable to the public. How we are accountable for our dollars. Our public outreach program. Ninety-four areas they come in and evaluate every three years and it's a daunting task, because you have to have these programs not only in place, but you have to show where you are actually doing them. You just can't throw something in the file and say we do community policing. It goes beyond that. They want to see what we are doing and how often we do it. You can't just say, well, we book our evidence this way. They go into the vault, they audit it, they grab items off the shelf and they make us produce where they were at, that they were booked correctly. They make us show our use of force reports, our complaint process -- everything. It's very, very involved and we did really well. Probably one of the best in the state by their comments and it all ties in with the policy manual that we developed a few years

ago through Lexipol. It all comes together to professionalize the department, you bring in a camera program, we are accountable, we are transparent and it worked out very well for us and so it's a big -- it's a tremendous hat off to you guys for supporting us in those areas, because it does take money and it does take time, but it pays dividends in the professionalism of our department.

Lavey: Thanks, Scott. I would also like to give Kudos to the -- the entire command staff for making that possible and also to Terry Deardon. Terry is an attorney that contracts with the city through the city of Boise. Terry has an amount of time built into our policy manual, into our policy for our body-worn camera program, our entire department, he has invested his lifeblood into what we do and it's been a -- a major part of why we are successful and I bring that up, because two hours ago I just got some news that was going to be upsetting, is that Terry has put in his two weeks notice and it had been my desire to bring him on as in-house counsel for the Police Department for several years and it just really didn't jive with our budget and the timing and Sheriff Bartlett has hired him as an associate legal counsel. Starting in two weeks. So, that was a little frustrating that I got that news, but big Kudos to -- to Terry and the command staff for making that possible. And, then, I also just want to thank our entire command -- I mean our entire patrol -- not even our patrol staff -- our entire department staff for really believing in the city and believing in our mission and doing what they do to make our -- our city a safe city. It does not go unnoticed.

De Weerd: As you can tell.

Lavey: We look at it as we are investing in our future. We have great pride in what we do, but we also want to make sure that this is the best place that we possibly can for our youth, for our kids, for my kids and we need to continue to celebrate those successes of being one of the safest. But that's the good news. Well, the bad is next. That's all right. I jumped ahead. These are some of the quality of life factors that we do enjoy. We are the best city in the U.S. Safest city in Idaho. Second safest city in Idaho. We are not the first. We are not the safest city. So, I guess it gives us something to strive for. I will tell you under last year's staff we were the third safest city and now we are back to the second safest city. So, we are progressing forwards, but I just don't know how to kick Rexburg out of the way, because Rexburg is the -- is the safest city in the state of Idaho. But I think second is not -- it's not number one, but second is pretty darn good. You hear Tom mention that we are the fastest growing city in the state of Idaho and we are the ninth fastest growing city in the United States. I say that, because as we grow it puts greater demand on the services that we provide. Public safety must grow to maintain or improve our current level of service and the exceptional quality of life that we enjoy and the low crime rate that we enjoy doesn't just happen and if we value what we have, we have to do everything in our power to hold onto, if not improve, what we have for the future. And I say that, because I have asked our staff to do some crazy things. I have asked them to do more with less. I have asked them to look at every single efficiencies within

our department and make changes to what we do to try to maintain that level of service. We have taken the fleet coordinator position and made it civilian and put the sworn back in. We have a -- as we talked about our enhancements today, we have a proposal that would take a sworn position and put it back in patrol and add a civilian in. We have actually looked at our task force. We have removed a person from our task force, because we didn't think we were getting our money's worth. We looked at our other task forces and say are we getting our money's worth in this task force and the answer is yes. The sad thing is is I'm coming to the point where I have to ask what are we willing to give up, because we just can't maintain that level anymore without adding staff. And, really, our presentation today is mainly going to focus on stats and I'm going to share some stats with you, some brief stats and, then, I will give you some -- some additional stuff to chew on as we leave today. Early today in Todd's presentation he gave you a chart that showed, you know, the level of employees and the level of citizens. A graph. But this one is specific to police and you're going to notice that there is a bigger gap than there was on general employees. But -- oh, I jumped ahead. Sorry. We will get to that in just a second. I felt that you needed to know the makeup of the department currently before we jumped into staffing and this is our current makeup. We are broke into four divisions. Administration. Patrol. Community Service. Investigation. We currently have 97 sworn officers and we have 24.5 nonsworn. That .5 is a part-time position in MADC. And, then, these are the enhancements we are going to talk about. I just have it listed here in narrative form right now, just so you have them on your mind as I talk about the rest of the presentation and, then, we will discuss them toward the end. We are asking for four more patrol officers. We are asking for a code enforcement supervisor that would be a civilian position. It's currently being supervised by a sworn position. We are asking for a records retention analyst. We are asking for a school resource officer. We will have more on that at the end of the presentation as well. We have some CID vehicles. We are requesting a data records. And, then, you have heard the presentation on the cradle point data connections for the cars. This would complete the rest of the fleet. We looked at several different factors as we go through staffing needs. We look at all our different measurables. We looked at the -- our performance indicators, such as our call to service. We look at staffing projections that we have -- we had over the years with what we think we are going to need based upon the growth of the city. We looked at the benchmarks for the local agencies, as well as we are a member of the benchmark cities in the United States. We have 25 like-size departments, so we can look and see what they do in a whole bunch of different areas. You will find that when I -- my presentation today is only going to talk about the local agencies. However, I put all the stats in a binder I'm going to give you today that covers the benchmarks across the United States. We looked -- for the call to service we looked at our current staffing levels, we looked at the building permit growth here in the city and we looked at the geographical growth of the city. Tom has already provided you some of those slides. You kind of have an idea what they look like. I have a cover slide that really kind of tells the same thing, but it's -- it's used differently, so it kind of gives you a chance to

look at it in a different -- different way. There is a graphic by itself. There is your level of population versus the level of staffing as a police department. So, what I would ask you to do is look at this draft today, go back and look at our budget summary and the charts listed on the police department and, then, go back and look at the staffing levels for the entire city. Do that within the next 42 days I think it is, it will help with what we are proposing. We talked about -- I thought I changed that. It's not really an audit. We actually did a full detail study -- an internal study for staffing levels, looking at all those factors that we have just mentioned and we gave the presentation to the Mayor, community resources, to Finance sometime in April and they already have a copy of this presentation. I have an electronic version for the clerk's office and, then, I'm going to hand out a hard copy version for each staff member. So, I can do that now so you have them.

De Weerd: Don't give it to them yet.

Lavey: I know, because they are going to thumb through it. It won't make any sense right now what I'm talking about. Just take it. Don't look through it now, because what I give you in this presentation doesn't match with what's in there. And I will tell you that after the -- the staffing study it was quite alarming that based upon our current levels of service, our growth of our city, both in geographical layout and in population growth at seven percent, it says that we need nine additional officers to continue the level of service that we currently provide and I realize that our revenues are only so much and that there is not a lot of money to go around to fund the entire city, so I said everybody is going to go crazy if I ask for nine additional officers and, then, the other thing was, as I said, that maybe we need to have a third party look at this and look at our staffing needs. They will look at our staffing model, to look at is there different staffing models out there that we could do things differently. Is -- is our called for service in our geographical layout justifying the request that we made. Is nine realistic. Is it unrealistic. Should it be more. I will caution you that when outside parties look at this, the number is -- is often more than less and so I think our -- our at nine is probably more conservative. But our current plan is in October, as we have already identified, a consultant that can actually do this external staff study for us, because we need to have a long term plan for staffing for this city for us to survive and maintain the same or greater level of service that our citizens expect. This is just some of the slides here and you will see these slides in your presentation today and it really just gives you a -- an idea of what our -- our neighbors are doing or what stats our neighbors are facing and it gives -- not just our neighbors, but like size cities. Twin Falls and Idaho Falls or the Pocatello Police Department. And so you will see in the -- in the presentation I gave you I just handed out to you the total calls for service, the public initiated, the officer initiated, the number of officers, the number of nonsworn employees, population levels, officers per citizen, citizens per officer, calls for service per officer, calls for service per 1,000 citizens in the squares of the city. I don't know what the magic number is to say we need this many officers because of this. And, hopefully, that

this external study can actually say, well, you can use this to add your number of officers. I know that we have said in the past that we don't have the same crime levels as other cities and so we don't need as many officers and I will give you something to -- to think about. It's for a simple -- and they are never simple, because they are always ugly, but for a simple domestic violence, verbal in nature, two officers could probably handle that call. For a crash, which Meridian has a few, oftentimes it takes five officers. So, it takes more officers to handle a car crash than it does to handle a verbal domestic violence and I will tell you that we have had 350 additional car crashes over this last year. I'm only going to touch on this briefly and, then, ask you to -- to review it later on, but I mentioned performance indicators and these are some of the performance indicators I talked about. You're going to see a level of -- of benchmarks over last time and you can kind of judge, are we increasing, are we decreasing and I will tell you that there is going to be some things we are going to find on here where our crime is decreasing, while crime is decreasing because of proactive policing, but we are getting to the point where we are doing more reactive policing, because we are responding to more 911 calls than we are officer initiated calls. So, it's -- it's -- it's kind of crazy. And these are just some of those other performance indicators and this is a snapshot of 2016. We are definitely trending up, which is scary. I will give one caveat to this is that you're going to see some figures where 911 calls are increased by like 300 percent. Well, some of the challenges that we have had is that we have transitioned from an old CAD system to a new CAD system and they are not separating them out like they used to. They used to have 911 calls and, then, officer initiated calls, telephone calls, and CAD has not been able to separate those out as much as we would like. So, the broad numbers are correct, but the percentages might be off slightly and I apologize for that. That's out of my control, but I know that our analyst staff and Mike Tanner are working with Ada County to try to rectify that. And these are some of the top crash locations you're going to see on there. I know some of the benchmarks that we provide you is -- is top crime we deal with, top crash locations we deal with. Response times. And this is just a chart of what we already have seen. This is -- I have already really kind of covered this, but this is a snapshot of those last three slides. The executive summary of you will. We are trending up. Our 911 calls are up. Our response times have increased in two areas, not three, and we separate our response times to priority ones, priority twos, and priority threes. Priority there are 911, I need help, I need help now. And we are getting there pretty quick. But our priority ones and our priority twos -- our priority ones are report calls. Our priority twos are -- you know, maybe a noise complaint or suspicious person complaint, something that's urgent, not an emergency. We are trending up quite a bit on our response times, which they I believe I have a slight rise. If not they are within that report I just gave you. Our arrests are up, both in felonies and misdemeanors. Our crashes have increased, except for fatalities, which, knock on wood, cross your fingers, we haven't had any this year. We had one last year. So, I can say we have a hundred percent improvement, but we are talking one. So, we are a success. These are some of the calls for service I talked about and I really -- I guess I said 300 percent. I should have

said 367 percent increase in 911 calls. I don't buy that, you know, and that's where I talked about there is problems with the -- the CAD being able to differentiate between the numbers. But you can see with an overall of 17 percent increase in -- in report that we have been taking. This was the alarming part and this was really why we need additional support staff. I asked for our records staff aren't keeping track of figures as far as walk-in traffic, the number of times the phone rings, the number of times people come to the counter and those were -- if you haven't received them yet, they were supplied to you in those quarterly benchmarks. But we don't have a lot of training data to go on, so I asked them to tell me what the percent of increase was for public records requests over last year and at first they told me 30 percent and I said I want to see the raw numbers. I shouldn't ask that question, because these are the raw numbers for just this year that we are processing for public records requests, 1,356 for the first quarter, 1,281 for the second quarter. We have had a total of 2,637 public records request for that six months. I will tell you that's more than the entire city did for the year, which is averaging about 525 per month. Now, the alarming thing I had was -- and I asked the question with the attorneys was it is because of body worn cameras and it's not. Body worn cameras the public records request had a decrease at first and, then, they kind of trend off and I asked is it because of the public views of government, the transparency and they said, no, really, what it is is insurance companies. That's our biggest requester for our data is insurance companies. As our city gets bigger, we add more people, you get more requests for those reports. We have a few graphs that we have -- because I was competing with Tom, so I had to make it pretty.

De Weerd: I'm sure you didn't.

Lavey: No. I can't -- I can't take credit for them, but I will tell you that the person responsible is in the room, but she will kill me if I identify her.

De Weerd: Well, we all knew who it was.

Lavey: So, if there is anything wrong with them -- we have gone through these. These are just some of the benchmarks for you to look at as far as citizens per officers for like size cities. You can see 941 citizens per every Meridian police officer and used to -- thought it would be a good idea to say, well, how many does Boise have? How many does Idaho Falls have? How many does Twin Falls? How many does Garden City have? There is the numbers. I will tell you that the only person worse off than us is Twin Falls and the deputy chief usually has a comment for that. Would you like to repeat that?

Basterrechea: Well, I grew up there and if you follow the crime rate I think it's a pretty good correlation. There is a lot of violent crime in that area.

Lavey: So, the other thing that we had mentioned to the Mayor is that every time Lieutenant Colaianni gets on the planning discussions about future -- future

growth, future development to come into the city and when we look at them we just point out, well, beware of this, watch the lighting here, this access here. We don't really talk about the impact that it has upon us and our ability to serve and so every week when you approve something you probably don't see what happens behind the scenes and so this is a really kind of the behind the picture -- is we had a 16 percent increase over '14 and '15 and, then, '16 we have a 25 percent increase in building permits in this city and when we look at this, we haven't seen growth like this since 2008 and we are really close to trending where we were at in 2004 and as you heard Mr. Lavoie mention that we are looking at another year or two of growth facing us, I suspect, but I don't have a crystal ball, that we are going to be in that 2004 figure very soon. This is another slide that I would like to just really call your attention to the right-hand part of the slide and this is also in your book, so -- I know it's hard to read up there, but this gives you an idea of how many single family homes that we are building in Meridian, how many multiple family homes were built in Meridian. Our commercial building in Meridian and how we are surpassing the largest city in the state of Idaho and those figures are really telling about how fast we are growing. So, let's talk about some response factors. I did this about three weeks ago and I -- I just did it again today driving around, before we came into this presentation, the city and Tom's slides really illustrated it well. Almost I'm jealous, they were better than mine, about where -- it started out small and how we have grown. But as our city grows we have to get from one end of the city to the other end of the city and, then, have resources on that end of the city if something happens somewhere it takes me longer to get there. What really floored me is I heard on the air the other day officers being dispatched to Chinden and McDermott and I said why the heck are we going out there. Because we have now annexed the southeast corner of Chinden and McDermott. I have pictures of the stop sign at McDermott and McMillan saying welcome to the City of Meridian.

De Weerd: You mean we moved our signs? Awesome.

Lavey: It is a weekly thing, yes. We -- we have grown and so what I did is I timed it, just normal driving, it took me 25 minutes to get from that edge of the city to the police station and that's not during commute time. So, your priority ones and your priority are not lights and siren calls, they are urgent calls or nonpriority calls and that's really justifying why our response times are increasing, because we aren't driving with lights and sirens, we are not getting there as quickly and as safely as we possibly can. It's putting a major burden on our responses. So, I don't recall if they will have it in the slides, but I will tell you it is in your book on the response times. I have shared them in the benchmark and I have shared them, I believe, in your presentation you will have today. But as the city grows we need to strategically place officers within the B areas of the city and I just don't have enough officers for that to happen right now. This is -- so, my slide is not quite as impactful as Tom's was, but you will see on this graph the size of the city limits in 2010, how many square miles it was. You will see the size of the city in 2015 and the amount of square miles that we have increased.

You will see the area in green, which is the planned area of annexation to the south of us and someone said, well, there is houses out there, so it's not really that big of a deal and we -- once that's annexed the sheriff's office no longer services it, so any cow in the road, any shooting complaint, any noise complaint, any car crash, any illegal dumping, anything that you can think of that someone is driving by and -- and commits a crime in that area, a Meridian police officer has to respond to it and as we get that far south -- that's south of Amity -- actually, there is another subdivision just south of there that we are talking about annexing right now and that's Black Rock, which is almost to Columbia. When the officers are down there and something else happens in the city it takes them a long time to get to that other call. We talked about what's the number of officers that you need -- we have got 97 officers. Well, we do. But those 97 officers are -- make up both Tracy and I as command, they make up our supervisors, they make up our detectives, they make up our school resource officer. They make up our impact team. They make up our traffic team and when you pull all those specialties in, you have 46 officers that are patrolling the city at any given time and this is -- you can look at this later, but this just gives you a breakdown of how many officers per square mile are covering the city at any one time. Here is another chart that's coming up that -- this compares us to the other -- our other like neighbors as far as how we compare to how they compare on officers per thousand. This other chart that's going to come up is taken by COMPASS figures and part of it is population and sometimes the COMPASS figures don't coincide with the U.S. census takers. Although I saw where the latest figures that were released by the U.S. Census were really close, if not the closest they have ever been to the COMPASS projection. But if we use the current staffing model that we have and the projections that we are facing and there is no reason to doubt that we are going to face them -- all right, Sarah, my slide is smaller, I can't even read it. Yeah.

De Weerd: Just remember, you have 20 minutes left to speak.

Lavey: Oh.

De Weerd: Trying to keep you on schedule.

Lavey: I will just -- this is in your presentation. I will tell you that the projection is -- for 2015 was 91,310 population, which is what Census came back with, giving you 97 officers. The projection that is coming up for next year in growth projections, we need an additional nine officers. In 2020, based upon your population figures, they are estimating 208,754. I don't know if we will be there. It's scary if we are. Okay. I tried to speed it up and get more staff in here. Okay. Go through this real fast. This is still in the CIP. I know we are going to have the CIP discussion later on, but completion of the training complex at substation and fire station six, I'm still debating on whether we need to do that or not, but it's in there. A substation in The Village. I will tell you that based upon the level of activity we have and Kleiner Park and in The Village, we need to have a

substation there. We don't have time today to talk about the amount of activity and crime that we are dealing with in there, but we will have that for you. We do share it with Mr. Siddoway and the Parks Department every week and it was very alarming to him about how much time is spent out there. So, we value that park. We value that --

De Weerd: He moved the three, so --

Lavey: They did move the -- oh, I didn't even see you there, Steve. We valued the center out there. They are growing another -- what was that, a hundred -- one million -- a hundred million -- a hundred million for the next -- that's only another hundred million out there, so -- and that's still on this side of Eagle. So, we need to look at -- at a substation out there. This is just a picture of your master plan, including scenario village, the training, facility and the shooting range. Unfunded enhancements. You have heard that before in the presentations. As we build up our staffing we must build up our supervision, the span and control cannot get so out of whack, but we also must also remember that we need support staff, because as of -- as we add more patrol staff and officers, they better make more work for the support staff as well. So, you are going to see two patrol corporals, two patrol sergeants that are on the unfunded list. I will tell you that there is still a need for two additional patrol lieutenants. We do not have the 24 hour coverage, seven days a week, out there. There is a -- oh. So, I mentioned two patrol sergeants and I wanted to talk about that. If you approve the code enforcement supervisor I'm going to take that sworn position, put them on the road, and that request will only be one patrol sergeant. But if you do not approve that -- that code enforcement supervisor -- and I have to keep supervising it the way I do, you will need to have two patrol sergeants. A records remodel -- that 6,500 dollars, it probably shouldn't even be on there. We probably should have funded it some other way. We talked about using some of the -- the dollars of savings from the planter project we are going to -- to do it, we just don't want to commit to it yet, because we don't know what the bid is going to come back in as, so we are trying to fund that in another way, but it's on there, because it's currently unfunded. And, then, to the new dispatch center, as you know, they are building a dispatch center in Meridian and we need to have a data connection to it. We do have a data connection through a roundabout way, which has multiple failure points, so this is something that we will need, but it's something that's coming out. These are your enhancements we talked about. I put them in the narrative form, because you can't really read this, but I'm going to show you -- this is in your -- this is in your book, because that's why I show this to you, but I want to go back with it. This is where we are at for our enhancement request for FY-17 and with that -- oh, let me explain -- I think I have done a good job explaining patrol officers, the code enforcement supervisor, the records retention analyst. This person will be dealing with our public records requests, our video camera, body worn cameras. I want to share a -- a fax that I just got this morning. We are coming up on a full year of our body worn camera deployment -- full deployment. We have Clouded over 51,200 videos, which is

6.3 terabytes. That's about 4,266 videos a month and we are pulling in about 142 videos a day. I will tell you that we have an auto tagging program that we are -- well, it's about 90.4 successful --

De Weerd: You get a chance at the end of the discussion. How many videos since they started?

Lavey: A lot. I went really, really quickly. School resource officer. The school district put in a request for two SROs. They wanted one for the new middle school and, then, one as a rover. We told them how much it was going to cost them. They choked and they asked for one. I will tell you that Lieutenant Colaianni and Karen in the Finance Department have worked for the last six or seven months to come up with a financial structure that makes sense to us what we are charging the school district. I will tell you that we pay approximately a million dollars a year to fund the SRO program and the school district has put in about a quarter of that and I told you that we were trying to come up with every way possible to make this the most efficient and that I didn't feel that I could request more officers if we weren't doing everything in our power to try to get as much revenue as we could. I absolutely support the SRO program. It's invaluable. We saw what happens when the school district cut it back before. I think it would be a huge mistake, but we have nine SROs in the schools, we need nine bodies on the road and if the school district is not paying their fair share, then, those are nine bodies I could use on the road. I'm not suggesting we do that, so what I said was let's come up with a funding structure that makes sense to us. We adopted the same funding structure that Ada County has. We presented that to the school and it was a major surprise to them, but I will say that they accepted it. They are pulling their fair share for the Victory Middle School. They are covering nine months fully loaded of that person while they are in the school and, then, we are going back to the table in -- this fall to say, okay, how are you going to make up the difference for what you're paying versus what you should be paying? We have -- they had a placeholder there, they were going through their own struggles there, so we told them that we would meet them again in the fall to discuss about how to pay back. Really, it rests with Mayor and Council of what you feel, how rapidly we should get that money back. I would probably suggest that we have Karen give a presentation later on in Finance what they really need, but it's hundreds of thousands of dollars that we believe that the school district should be paying for their fair share of the SRO at the school. CID vehicles. Let's go real quick. I talked about pulling a task for members out of the CEA, prescription meds program. We weren't getting our money's worth. While that person was there DA supplied a car. Now that they are back here DA doesn't supply that car, so I have a detective who doesn't have a car. The second -- it's two vehicles. The second vehicle we actually take a patrol officer, we assign them temporarily up into the impact team. What that does is that provides another body in that impact team. It provides a level of experience to that patrol officer. While they are there they don't have a vehicle, but what makes this so important is that when that officer leaves the impact team

and goes back on patrol, they take some of those experiences and those investigative skills they have learned to share with the other patrol staff and, then, we take another and put them up in detectives. That person does not have a car. And, then, the data clerk position and, then, the cradle point connection for the -- the rest of the policemen. The last thing I will say is I have a few copies here that I'm going to

-- I will share with you. I will tell you it's on KIVI Channel 6 website today, but it talks about the rural west residents choose lower taxes over law enforcement and it's really, really alarming of the impact that it faces on our citizens. It's really, really nice to have low taxes. I'm one that believes in it wholeheartedly, but there comes a point where there is a price to be paid and so the question I have to ask you today is what are you willing to give up, because I can't go on and provide the same level of service without additional staffing. And with that I stand for questions. I have the command staff here that can answer any specific area that I might have not covered well enough and we are within our allotted time.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Chief, I see you're needing one more SRO officer, but have you -- how are you replacing Mike at the middle school?

Lavey: So, we will have -- we, actually, have two SROs that are leaving us. We have one leaving us on Friday and I would remind you that his retirement party is here at City Hall at 8:00 p.m., so if you could make it that would be just great. And, then, we have Earl Scharff, who is leaving at the end of the summer, who currently is the SRO out at Renaissance. Both of those will be replaced with currently patrol staff and, then, we will office -- we will open their positions for entry level officers or --

Bird: That's what the four -- excuse me, Mayor. That's what I mean. You don't -- you're still going to be down two patrol officers even getting these four. You're only getting two additional.

Lavey: No. No. These are four additional bodies that will be allocated to that.

Bird: To the patrol.

Lavey: To the patrol. Yes.

Bird: But you're losing two to go to SRO.

Lavey: But we will hire them, because you have already approved those over the years, so we will hire those bodies.

Bird: Oh, they are existing.

Lavey: Yes.

Bird: Oh. Okay.

Lavey: So, we are currently in the process of backgrounding people to fill open positions or soon to be open positions.

Bird: Due to retirement. Okay.

De Weerd: Council, other questions?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Jeff, I appreciate the in-depth nature talking kind of from a 30,000 foot view. There is a -- I think it's worth celebrating, but I'm hoping maybe you would take a couple minutes to talk about and maybe you can share that background of how you and the departments really been able to reduce calls for service while we have seen all of this growth.

Lavey: So, I don't know if it's really reason to celebrate or not, because if you see the trend, you see the numbers go up, you see the numbers go down and I did mention about proactive versus reactive policing and so as our officers are responding to calls that the citizens provide -- or call in on, they don't have time to go out there and do the proactive policing. Unfortunately, one of the many, many calls that we deal with are mental health type calls that takes many, many, many hours of time. For traffic crashes. So, we're having our officer time more focused on dealing with those calls than going out and doing the proactive stuff and so you're seeing numbers drop, but you're not -- I don't know if they are really correlating with what's really happening with this.

Cavener: Madam Mayor, follow up.

De Weerd: Uh-huh.

Cavener: Could you articulate a little bit what some of those proactive things are and how much into an officer's shift is being spent on average on proactive?

Lavey: Madam Mayor, Councilman Cavener, yes, there is several different areas that -- that we cover. One is our UI enforcement. If you recall -- I think we are in the second year of that now, of the UI grant, where we have had a grant that covers two officers. We have actually seen a 400 percent increase in DUIs in

Meridian. That's kind of alarming in that did DUIs really go up that much and the answer is, no, they are just now being caught. So, proactive policing in regards to looking for DUI specifics, we have our impact team that actually does -- Sarah does crime analysis for them and tracks patterns and you recall the -- try not to get too much a -- you recall the recent rash of burglaries that we had, we started following predicted patterns and we deployed officers into those areas and we caught the burglars. That's the proactive policing we are talking about. There can be types of calls that come in that the Mayor's office or the chief's office will get repeated calls on and I call them my -- like, you know, my pain type calls, because they are just -- they just need to stop and I will put our proactive policing team on it, say go solve it and oftentimes its solved through arrest or drugs -- drug arrests and that sort of thing. Scott would always want me to -- to remind you of this. We have -- we have two full-time bike patrol officers ride -- either ride their bikes or they will throw their bikes on the back of an SUV and drive out to a substation and ride --

De Weerd: If you hadn't I was going to.

Lavey: Yes. And, then, in the summertime if you have -- some of our SROs that we have that aren't covering the schools, we put some in detectives, some in patrol, some work in specialty areas. Officer Gomez was -- was busting people yesterday at Roaring Springs, because he knew the kids and they were doing things they weren't supposed to and, then, we have officers that work bike patrol, patrol our city, patrol our parks, movie night, that sort of thing. Those were some of the types of proactive policing that we do.

De Weerd: I would say that Stephanie and -- and the increase you have seen in the neighborhood watch and her prevention program would also fall under that --

Lavey: Madam Mayor, I would -- I would -- I would ditto that. I had seen the numbers. I do not know what they were, but every time we -- we do National Night Out we have a list of homeowners associations that -- that participate and once Stephanie came on board the amount of homeowner associations that have connected with the city has increased tremendously. It was -- it was -- it's a blow-you-away number and I don't want to say what that is, because I don't recall what it was, but it was definitely noticeable. And so that type of positive outreach as well. And, then, Kendall, too, and the -- the Meridian Anti-Drug Coalition and what she does and the prevention stuff that she does -- and I know this doesn't go quite with what you were asking, but I just want to mention this today is our drug take-back program. I walked into work this morning at 7:30 and I come through the lobby and I see them hauling three cases of boxes out of drugs and this was filled just from Friday to Tuesday.

De Weerd: So, I think we need to name it after Lieutenant Overton, but maybe that would be awkward.

Basterrechea: The Overtone Drug Takeback.

Lavey: Only for him.

Basterrechea: Councilman Cavener, I think the question that you were asking -- do we know the percentage of time that it's been on the proactive type of things and that's what this study -- the staff study that's coming up this coming budget year is what we are going to try and find out, is there a hard number on how much time you spent allocated, how much time spent on reacting.

De Weerd: You asked that another enhancement request was the priorities in government. That's going to be able to answer to where staff resources are being spent and how -- what -- what the impact is of that. Council, any other questions? All right. You know, I think that the -- the impact to all of your programs, but also in having the public safety training center, the attention that the command staff spends on hiring the right people that -- that match the culture of our police department all lends to it and would like to extend my appreciate to each of you in the role that you play in continuing to insure that we are a safe community. That means a lot. As I knocked on doors last fall -- and I'm sure Mr. Palmer saw that as well -- people take great pride in feeling safe in their neighborhood. Having a safe community is of utmost import and appreciate what you do.

Lavey: Thank you.

De Weerd: Okay. Thanks, chief. Thank you all. Now, we have -- oh. We have the attorney.

(Recording blank for 3 1/2 minutes.)

Nary: -- he's not the only attorney that works with our Police Department, but he has certainly been the lead person we have worked with the closest over the last number of years. It's a -- it's a big loss to the city of Boise and it is a big loss for us as well. But the -- for those that don't know, the prosecution and police services contract has been with the city of Boise since 2002. It's been a good partnership with the city. We have had different city attorneys, but they have still maintained that partnership with us. There are slight increases annually based on, essentially, their budgetary impacts and their changes. The contract includes, essentially, the equivalent of two full-time prosecutors, a one and a quarter full-time support staff, a police advisory team of three attorneys that come out to our Police Department three half days per week and as well as 24/7 access to their on-call team. We could not reproduce this for what they charge us for and it is a great service to us and -- and it's not just the cost, because, again, the quality of service is really the expectation that you all have, as well as your public has that they get quality advice, quality service, responsiveness, all of those things -- and the chief talked briefly about the public records and we will

get to that in a second. Those are the things that we have received in this contractual relationship that has made it very valuable to the city. The costs are kind of hard to read. That's why I sent paper copies around. You can see there was one jump in one year on the costs that were significant. They did, essentially, a major readjustment to their compensation program in the city of Boise a number of years ago, so you will see on that paper there is one year there was a fairly big jump. Otherwise, again, they have been fairly modest, again, based upon their changes and their compensation and benefit program to the city of Boise. But they have all been somewhere in the three to five percent annual increase. And so the cost is still very affordable to us to maintain that. I won't belabor the statistics. The chief talked about some of this a little bit, but this is the amount of services for prosecution cases that we have had for the city of Boise, the number of offenses that have come in. Cases and chargers are two different things, but they are generally related, because one individual case may have multiple charges that get disposed of, so that's why that second number is larger. But you can see as the volume just continues to increase it becomes a very -- a very difficult caseload to manage and having a team like the city of Boise that's already there -- they have actually now branched out and are doing prosecution for the city of Garden City as well, because they are getting more efficient because they are already at the courthouse. These are the types of offenses. A little hard to read on the screen, but it's in front of you. This is different types of offenses that we have that come from Meridian Police over to the city of Boise. These are the charges that get disposed. So, again, just a little more detail for you as well. Again, the -- the legal advisors that are on site I think most of our officers and the command staff will tell you are a great tool and an asset to have, because they are approachable, they are responsive, they are able to meet with both officers and our victim-witness coordinators, so that we know where the cases are, what the status is, how to make sure that the cases are being handled and if there is contact that needs to be made or there has to be communication with the victim, that it gets done. So, it's a great -- a great service that we receive and we certainly are appreciative of that and I intended to have them come in two weeks to do an on-site presentation from them, so that you can kind of get a little more of the detail. Today I just wanted to give you the highlights of what this does and, again, what the long-term look at this is. Again, the large volume of requests -- as the chief told you in his presentation, that public records requests are overwhelming. I mean the amount that we have are huge and some are -- some are very routine and some are very complex and all of them have to be reviewed by an attorney in some form or another, at least in the sense that if it's a routine request we have a protocol that exists. If it fits that protocol they can process the request. It's very minimal oversight. Some are not so routine, takes some time. This is just the police side. This is not the ones that we would process in the clerk's office that our other legal staff reviews, but just the police ones and you can see, again, the numbers are very large. There is legal update training. And, again, we got great training for our officers from this service and this contract and it is consistent through the valley. That's the other additional value that I think we receive is our officers get training. They gear it

towards our command staff and our policies, as the chief told you earlier. Terry was instrumental in helping get our police policy manual up and running. But because Boise does it for the Boise officers, as well as our officers, and now they also do training for other agencies as well, like Eagle and for Garden City, you get a consistency across the valley of how these are being -- how things are administered, how cases are involved, how arrests are made, what the current state of the law is. I think it's a great valuable tool. And, again, the 24 hours in contact, again, there is no way to know on a given day when that's necessary and having that capability to have that on-call service that's responsive and quick and able to get a warrant if it's needed, able to get advice on what to do, is a great tool and a great asset to our department. Those are all the slides I had, since I really wanted to just highlight that one contract. The question always gets asked is when do we need to change and every year the chief and I evaluate that situation and it has been affordable and great service and to me that's -- that's what you're looking for in a contract of service. If you don't get good service, it doesn't matter how cheap it is. If it's so expensive that it's just not practical no matter how good it is, then, you have to reevaluate. We look at it annually as to what's the greatest value for the city. Today with the courthouse downtown, where it belongs, that's probably the best place to have prosecution services, because they are three blocks away, not nine miles away. If that maintains the same I would think the prosecution services should remain the same. Right now the cost of this police advising it has been very consistent and very reasonable to us. It's been less than 100,000 dollars of the total contract, so it's much more affordable than having on-site personnel. When that number gets higher or our needs get greater, then, I think the chief and I will be the first ones coming to you saying we need to make a change and here is why. Today we don't have that. Today we have gotten great service. I anticipate the people -- they have done a great job there with his service in bringing up newer people and training them, so it isn't just totally relying on Terry or it isn't just totally relying on one person. Again, Terry has been a great asset, because it's just his nature, but they have done a good job of bringing on the newer people to get them trained, so they can provide us seamless service and I anticipate that's going to continue and I guess in a couple weeks we will hear from them directly. So, do you have any other questions.

De Weerd: Thank you, Bill. Council, any questions?

Bird: No. Thank you very much.

De Weerd: Okay. I would entertain a motion to close the public hearing --

Bird: So moved.

De Weerd: -- for the special workshop.

Bird: So moved.

Milam: Second.

De Weerd: All those in favor say aye. All ayes.

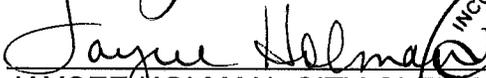
MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT 7:43 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

  
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MAYOR TAMMY DE WEERD  
ATTEST:

8 1 9 1 16  
DATE APPROVED

  
\_\_\_\_\_  
JAYCEE HOLMAN, CITY CLERK



8 1 9 1 16  
DATE APPROVED