

A meeting of the Meridian City Council was called to order at 6:00 p.m., Tuesday, August 30, 2016, by Mayor Tammy de Weerd.

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

Others Present: Bill Nary, C.Jay Coles, Jaycee Holman, Todd Lavoie, John Overton, Mark Niemeyer, and Dean Willis.

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 tonight's special meeting. I would like to first start by welcoming all of you in attendance. For the record it is Tuesday, August 30th. It's 6:00 p.m. We will start with roll call attendance, Mr. Clerk.

Item 2: Pledge of Allegiance

De Weerd: Item No. 2 is the Pledge of Allegiance. If you will all rise and join us in the pledge to our flag.

Item 3: Adoption of the Agenda

De Weerd: Item No. 3 is adoption of the agenda.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move we adopt the agenda as published.

Borton: Second.

Bird: 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: ALL AYES.

Item 4: Action Items

A. Public Hearing: FY16 Amended Budget in the Amount of \$90,410,070

De Weerd: Item 4 under Action Items, Item 4-A is a public hearing on fiscal year '16 amended budget and I will turn this over to our CFO.

Lavoie: Well, thank you. Good evening, Madam Mayor, Members of the Council. Again, we have the privilege of presenting to you the fiscal year 2016 final budget of amendment dollars and, then, followed by that we will present to you the fiscal year 2017 proposed budget that we have been working on with you guys for the past five months. So, what we will do is we will start off with the fiscal year 2016 amended budget. The items that we are going to display to you on this particular topic have been presented to -- presented to you over the last ten months as budget amendments. This is the formal process that the city must take to make the final budget amount official. So, a lot of these items that you're going to see here are going to sound familiar. Again, we can answer any questions, but most of these are -- all of these items have been presented to you in a formal budget amendment process. So, I guess I will go over the '16 budget amendment, which is going to be a little over 90 million dollars as on -- on the screen and, then, after that item is approved by the Council we will move into the fiscal year 2017 proposed budget as we displayed to the citizens at 119,231,649 dollars. So, again, the '16 budget amendment, we will go over the -- the overall city budget as approved -- or as proposed, then, we will go into the General -- or the three major funds that we report to the citizens, the General Fund, the Capital Improvement Fund and, then, the Enterprise Fund. After that presentation we will stand for any questions on any items that we presented to you and, then, after that we have a process for the Council to make a motion to approve the item for the fiscal year 2016 budget as displayed and, then, we will move onto the fiscal year 2017 budget presentation. So, as we noted, the fiscal year 2016 amended budget this year is going to be 90,410,070 dollars. The graph here shows that overall we are down year over year and, again, that is going to be attributed to, you know, carry forward items, personnel items, operating capital items that have all been proposed and presented to you through the fiscal year 2016 for the last ten months and you can see how the different functions of the city were affected by the budget amendments that were presented to you during the fiscal year. Oops. Sorry about that. So, that was the overall city. We report to you and the citizens three major funds. The first one being the General Fund. The General Fund this year is up 6.07 percent, a total of 51,237,040 dollars and you can see the different functions and the impacts of the budget amendments throughout the fiscal year to those individual items themselves, with personnel being up 1.77, capital 8.67, and the carry forward reduced by 26.39. Again, total budget a little over 51 million dollars for the General Fund. Throughout the year we presented the items for the budget amendments. We had 23 budget amendments this year and these are some of the major items that we just picked out from the list that were proposed to you throughout the year that you approved

at those moments in time, with the fire engine, outside legal services, some software, carry forward and a transfer to the Capital Improvement Fund were the largest items that we found of the 23 that we thought we would mention in our presentation. Again, all 23 amendments were presented to you throughout the ten months leading to today. Capital Improvement Fund, this one here, the major change on this one is the transfer from the General Fund to the Capital Improvement Fund. Right now we are looking at a revenue increase of 2.6 million dollars. It looks a little funny in the negative bracket, but that's a positive transfer of funds into an expense account. So, as you see, the major amendment for the carry forward adjustment and the transfer from the General Fund, which were presented throughout the fiscal year. Second -- well, third reporting fund that we report to you and the citizens and that's known as the Enterprise Fund. The Enterprise Fund this year is going to end up at a little over 41,788,000 dollars. That's down 14.86 percent. UC personnel is down. Capital is up a little bit and the carry forward went down as well. And they had a total of seven major amendments proposed to you and presented to you throughout the fiscal year 2016 with the four items that we pulled of the seven that we thought were major items that we would notate here for your reference. Again, all items were presented during the fiscal year. With that fiscal year 2016 budget amendment has been presented to you and we stand for any questions at this time.

De Weerd: Council, any questions?

Bird: I have none.

De Weerd: Thank you, Todd.

Lavoie: Thank you. Now, with that there is a process that legal or we can help with is to actually approve the budget as proposed at 90,410,070 dollars. I hand this over to you for that process.

De Weerd: Okay. It is a public hearing and I would first ask if there is a member of the public who would like to provide testimony on this item? Okay.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Seeing none, I move we closed the public hearing on the fiscal year '16 amended budget.

Borton: Second.

De Weerd: I have a motion and a second to close the public hearing on Item 4-A. All those in favor say aye. All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move that we approve the fiscal year '16 amended budget in the amount of 90,410,070 dollars and for Legal to bring back an ordinance showing that.

Borton: Second.

De Weerd: I have a motion and a second to approve Item 4-A. Any discussion from Council? Okay. Mr. Clerk, will you call roll.

Roll Call: Bird, yea; Borton, yea; Milam, yea; Cavener, yea; Palmer, yea; Little Roberts, yea.

De Weerd: All ayes.

MOTION CARRIED: ALL AYES.

**B. Public Hearing for FY17 Budget in the Amount of
\$119,946,412**

De Weerd: Item 4-B is a public hearing for fiscal year 2017 and I will open the public hearing with our CFO's comments.

Lavoie: Thank you, Madam Mayor, Members of Council. Again, it's our privilege to present to you the fiscal year 2017 proposed budget. This is the budget that we have all been working on together for the past four or five months in detail. This is the formal process of a public hearing to announce to the citizens our fiscal year 2017 proposed budget. Today we will go over the proposed budget as we left it in July. We will go over the three major reporting funds, just like we did with the amended budget, General Fund, Capital Improvement Fund, Enterprise Fund. We will stand for any questions and, then, we will go ahead and follow the process with approving the fiscal year 2017 budget for the upcoming fiscal year. Now, before we get to the final number I wanted to give an update that we are proposing to reduce the budget as originally intended from July. We are proposing that we go from the 119.9 down to 119.2. This is -- this is -- the difference of 714,000 dollars is due to reporting. Nothing changed from a budgetary discussion that you described or discussed or worked on during July. The two factors of 714, which is known as a benefits reserve in public safety fund, those are our two items that we all discussed during the July meeting in depth. Fortunately, we reported those as expenses on the overall City budget, which was inclusive of the 119,946. Now, at the end of the day we are actually

not going to spend 714,000 dollars in checks. We are not going to be handing out cash. So, our notice to the citizens is actually less, because we are not asking to spend that money, we are going to save it and invest it, so, unfortunately, we reported in error that 714,000, but the overall budget plan that you proposed to the citizens is still the same, we are just reducing the budget, which is a good thing, and those dollars will still play the same role as you intended in July and we are just cleaning up the paperwork to make the official notice the accurate number that it should be. But at the end of the day everything you requested and discussed in July is still in place. This just shows that -- this shows the true spending requests for the City of Meridian for fiscal year 2017. Now, before I move onto this -- pass this, I will stand for any questions on this topic. Again, just clearing up the -- the dots and making the official notice official. So, we apologize about the error, but we thought this was the right thing to do.

De Weerd: Council, any questions about this -- this item? This change? Okay.

Lavoie: Thank you again. We apologize about that. So, with that we will jump straight into the fiscal year 2017 budget of 119,231,641 as proposed to you. As you can see, this is the overall city budget broken up by major components. Personnel is currently going to make up 34 percent of 119 million. Operating is at 15 percent. Capital, without including carry forward capital, that is 33 million, and you can see these two carry forward items make about 27 million. Those are items that were proposed and approved in prior fiscal years that we need to carry the funds forward into the fiscal year '17, so that the project managers in the city departments can complete those projects as approved in prior budgets. Here is a -- kind of a history of the city's budget. Far right column is your 119. The first five columns represent the final amended budgets. So, that 90 million that we just approved not too long ago is the column to the left for '16 and, then, '17 would represent what we are proposing today. So, what we are doing is comparing five years of amended to one year proposed. And the two boxes that we really focused on are the personnel and operating. Those are ongoing, as you heard me state in previous meetings. Those are our ongoing. Those are the dollars that we really need to make sure we cover. So, we keep track of those two columns -- those two sections pretty closely. Now we are going to get into the three major funds. The first one that we are going to report on is the General Fund. It's going to be a little over 52 million dollars for fiscal year 2017 as proposed. Again, during our July discussions we agreed that we would use 256,000 dollars of the fund balance to balance the budget. We would use 319,000 of the impact fee to balance that part of the budget. Those two items that we spoke about earlier, the public safety fund and the benefit, we said we would contribute to those reserves and those balances. Those are notated in the notes as well. Below are just some stats and -- that support the General Fund budget as proposed. The top left graph shows the General Fund by the functions of personnel, operating, capital and the carry forward, just like we did with the overall city budget and, then, the graph below shows the General Fund broken

up by departments. As you can see, public safety makes up 55 percent. Parks is 27. And, then, admin and community development division they make up 18 percent, with the respective dollar amounts.

De Weerd: And those percentages include the capital, which tend to skew --

Lavoie: You're a hundred percent correct, Mayor. That is inclusive -- inclusive of all expenses and does include capital and capital can move the bar up and down pretty quick. Agreed. So, this is another perspective on the General Fund. This is the difference between the amended budget, which we just approved, and the proposed that we have right here in front of you today. Total budget is up 3.8 million. A little over eight percent for the General Fund. Personnel is up nine percent. Operating five. Capital is down a little bit. Down 61 percent. And, then, transfers and carry forward are representative there. Again, we are looking at the operating and personnel on that graph. Those are the items that are ongoing. Those are the items we need to make sure we can satisfy the bills on and those are the two items that we really keep an eye on and you can see the budget as it's represented there. Another way of looking at this -- these are the budget requests that were presented to you during the July workshop. We had a number of enhancement and replacement requests. This is just a summary of the information that we have all discussed and reviewed for the community development and the administration division. They requested a little over 577,000 dollars in enhancements and replacements, with some items listed below as the major items pulled from our work. Parks and Recreation, a little over 2.2 million. Again, these items hopefully look somewhat familiar and you're comfortable with still. The Police Department requested 1.9 million in requests for enhancements or replacements. And, then, the Fire Department requested a little over 620,000 dollars in enhancements and replacements. General Fund revenue. These are the major revenue sources that we are utilizing for fiscal year 2017's budget. You will note that there is a difference between the revenue and the expenses and that's because we have approved to use carry forward fund balance dollars to balance the budget. Our major revenue source, as you can see, is predominately property tax, 65 percent. Followed by development services. That's your building permit revenue. Then that's followed by the intergovernmental -- that's a combination of shared revenue, sales tax, liquor tax, sales from the state. So, those are our major property -- major revenue sources that we are utilizing for the General Fund for fiscal year 2017. Capital Improvement Fund as proposed, 422,141 dollars. That entire amount is comprised of carry forward dollars. We had no fiscal year 2017 items presented to, so that represents all items approved in previous fiscal years. That moves us to our third reporting fund, which is the Enterprise Fund. Enterprise Fund is requesting 66,732,653 dollars. And this fund as approved -- or as we reviewed and proposed is a little over 17 million of fund balance to balance the budget. Again, noting the major percentages. We have a capital at 46 percent. That's the majority of their -- or the major portion of their budgets, with personnel at 13 percent, operating at 11, and, then, carry forward makes the difference. As

proposed is 66 million this year. Wastewater is going to request 65 percent of the budget. As the Mayor stated earlier, capital does have a major factor in the way the percentages are distributed year by year by year. This particular year they have the lion's share of the budget. But, again, every year is a little bit different. In the same way we looked at the General Fund, we compare the General Fund -- or we are comparing the Enterprise Fund fiscal year '17 proposed budget to the amended budget that you just proposed or approved. Again, the major factor here is capital and capital carry forward. I mean those are big variances and year over year they can swing left and right, up and down, as the Mayor stated. This particular, as we proposed to during the budget discussions, we have a growing community and we have a lot of needs and the Enterprise Fund is going to work on satisfying those needs. Then the Enterprise Fund budget request, Wastewater requested of 25 million. That's that large capital influx that we saw that looks -- or makes the Enterprise Fund's wastewater division use 65 percent of the funds. But, again, as we presented to you, we are managing the growing community and these are the needs that we need. Wastewater had requested 6.3 million. Engineering, utility billing, had a little over a 126,000. Again, those are all the requests of enhancements or replacements that we proposed to you during the budget workshop in July. These are the revenue sources that we are utilizing for the Enterprise Fund, which water and sewer sales as their primary revenue sources as listed on this graph and they have a number of other revenue sources, but you can see 71 percent of the revenue comes from the sales. With that, that is a summary of the fiscal year 2017 budget as we have proposed from our July workshops and at this time we stand for any questions on the data that has been presented to you and stand for any questions.

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

Bird: I have none.

Lavoie: With that, just like the fiscal year 2016 amended budget, we follow the same process with the public hearing and I hand this to you.

De Weerd: Thank you. This is a public hearing. Is there anyone who would like to provide testimony on this -- this topic? Good evening. If you will, please, state your name and address for the record.

Fairless: Yes, Madam, Members of the Council. I'm Kelli Fairless, executive director of Valley Regional Transit. Our address is 700 Northeast 2nd Street, Suite 100, in downtown Meridian, Idaho.

De Weerd: Thank you.

Fairless: Yeah. I just want to say that I absolutely support your budget and the support within that budget for public transportation in our region. We are very

excited about the opportunity to continue to serve older adults and people with disabilities in the community and enhance that service by launching the lifestyle service that you have approved the start-up funds for in this year's budget and other than -- than that I just wanted to let you know that we absolutely support the -- the request as stated in your budget.

De Weerd: Thank you, Kelly. And I just want to take a minute -- working with Todd has been awesome. We have appreciated the thoughtful approach that you have employed in really getting a better understanding of what those needs are in our community with both our senior population, as well as our disabled population, those that can't drive and the -- the participation was very thoughtful and inclusive and I am excited to see Harvest Transit roll forward in October to provide transportation to those that need it most.

Fairless: Thank you, Madam Mayor. I have really appreciated working with Todd as well. He brings a lot of energy to the work he does and cares a lot about the people that he's planning services for. He did want me to provide an update in terms of the timing. There has been a little bit of delay in getting the vehicle. So, it looks like it's going to be December for the startup, but we want to make sure we have the right equipment and deliver the best service. So, we will keep you informed of any changes in the schedule, but we are still moving forward with the training and we are really excited about -- about harvest and the -- the project going forward.

De Weerd: Thank you. Any questions? Thank you, Kelli. Any other testimony? You know, I would say to our -- our high school students, maybe you get extra credit if you ask a question. Boy Scouts. Okay. Council, any questions for staff?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Question for either you, Madam Mayor, or Todd. In light of another year with our budget public hearings and another year of very little public testimony, I was hoping maybe you could summarize for Council what type of outreach we did about our public budget. I'm just interested to know what we did to inform the public about this. Maybe find opportunities for improvement for next year so we can get more public to come out and testify.

De Weerd: I will tell you what I'm familiar with, but I'm not the communications person, so -- we have published public notices. We have put it out on our social media outlets. We have live streamed all of the budget workshops, as well as the hearings from Council. We have had press coverage from both ValleyTimes and the Meridian Press and we really appreciate that continued coverage. I don't know what all else this -- this outcome -- actually, we actually have people in our audience this year, which we usually only have Ralph. And so we have even

held town hall meetings that -- around the budget, with questions about anything and everything but the budget at. So, I don't know how to find better involvement. I'm hoping that they elect you to ask questions and to -- to be involved. I thought it was important on the public record to talk about our staff and they start our budget preparations in February. Probably after the audit is final and, then, they roll right into budget presentations -- are presenting the calendar, starting to gather information. Writing the revenue manual, so we have a better idea of what we are balancing our budget to. Thanks to all of our Council liaisons for participating in the initial budget discussions, going line item by line item through the various department budgets. Then participating in your department's discussions on the enhancements and it's -- it's a very robust process. We have two workshops that does give the public those background conversations and information. Just like you, we hope that they have time to digest, to develop any concerns and comments and get it to the elected officials, because of the extended workshop schedule that we -- we have employed and I think that that has worked well. So, any suggestions on how we can do a better job at letting the public know are always welcome, because we, too, would love to see engagement and appreciate the engagement we do have.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I believe -- well, showing the 400 percent improvement in our audience tonight -- maybe more, but don't quote me on an amount. I was really -- but it depends on how you calculate that rate. I think that -- that the outreach it has been tremendous this year. I personally feel I have been inundated with -- and not as a council person, but it's on my Nextdoor, it's on my Facebook, it's on -- I get an e-mail, I get the city e-mail. So, I have seen it everywhere I turn as -- coming to me as a citizen, not as a council member. So, I think that what needed to be done was done and I think maybe the fact that there is not anybody here that wants to testify just shows that they are satisfied with the budget that we have come up with.

De Weerd: I appreciate you noting the Nextdoor. That was part of the social media I mentioned, but this is the first year we have used Nextdoor to push that information out as well, so -- we are going to educate Mr. Bird on what Nextdoor is. Hopefully you are all registered. It's nextdoor.com and I will help you sign up.

Bird: No.

Milam: It's like Facebook, but only our neighbors.

De Weerd: Just to -- since the question was asked, Nextdoor is a neighbor-to-neighbor social media platform and it is a neighbor-to-neighbor tool. So, you go in and sign up under your address and you get connected to those in your

subdivision and it's been a valuable public safety tool that lets neighbors talk about what crime is happening. Our crime prevention specialist is able to push information out and the city pushes a lot of information out about public safety, about roads -- possible road issues. We had a water main break that we used Nextdoor to let them know about road closures. We have used it to let people know about events and special type of announcements and so we can push it out, but we can't see the conversations that ensue after that. So, it -- it has been a valuable tool. We -- we have heard from our neighborhood associations and -- that it has been a real valuable tool. That was my summary. Any other questions or comments?

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Hearing and seeing none, I move we closed the public hearing on FY-17 proposed budget.

Borton: Second.

De Weerd: I have a motion and a second to close the public hearing on item seven -- oh, I'm sorry. 4-B. I added a couple numbers in there. All those in favor say aye. All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move we approve FY-17 budget in the amount of 119,231,649 dollars and have the proper ordinance drawn up to be brought back to be passed.

Borton: Second.

De Weerd: I have a motion and a second to approve Item 4-B, the FY-2017 budget. Any discussion? Mr. Clerk, will you, please, call roll.

Roll Call: Bird, yea; Borton, yea; Milam, yea; Cavener, yea; Palmer, nay; Little Roberts, yea.

De Weerd: The motion passes.

MOTION CARRIED: FIVE AYES. ONE NAY.

De Weerd: Again, I would like to thank our Finance Department and all of our departments. As you saw with some of the revenues that were turned back as a budget amendment, we appreciate your fiduciary responsibility to the citizens of our city. We know that you look for every opportunity to find efficiencies and savings in the projects that you do. We appreciate all of the thoughtful deliberation that has gone into evaluating each of your lines item by item and seeing justifying when you want an increase and talking about the variances when you did not spend what you were authorized to spend. It's been great dialogue and we know that a lot of work and thought goes into it. So, our thanks go to each and every one of you for everything you have done to set us up for another great year.

Item 5: Future Meeting Topics

De Weerd: Okay. Council, anything further? Future Meeting Topics? We do have a town hall meeting tomorrow at Hillsdale Elementary School in south Meridian that starts at 6:30 and hope to see you all there. We have Coffee With The Mayor next week. So, just all kinds of opportunities to -- to get involved and don't forget Art Walk. And for all of you, you are always welcome to donate a piece of art and hide it in our downtown. We have tags that you can take your -- your artistic talents -- and if you want us to hide it for you you are more than welcome to drop it off and we can do that and I would encourage you to walk around Meridian and maybe you might find a little gem that you can keep for yourself as well. So, thank you for -- again, Council, your diligence in being part of the budget preparations and for your thoughtful deliberation during the workshop and -- fine-tuning what was approved tonight. So, if there is nothing else, I would entertain a motion to adjourn.

Bird: So moved.

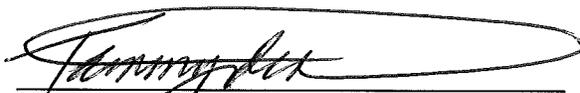
Borton: Second.

De Weerd: I have a motion and a second to adjourn. All those in favor say aye. All ayes.

MOTION CARRIED: ALL AYES.

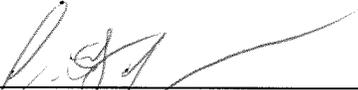
MEETING ADJOURNED AT 6:36 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)


MAYOR TAMMY DE WEERD

9 / 6 / 2016
DATE APPROVED

ATTEST:



C. JAY COLES, CITY CLERK

