

A Budget Workshop meeting of the Meridian City Council was called to order at 8:00 p.m., Wednesday, July 20, 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 get this -- tonight's meeting started. It seems like night already. For the record it is Wednesday, July 20th. It's a few minutes after 8:00. We will start with roll call attendance, Madam Clerk.

Item 2: Adoption of the Agenda

De Weerd: Item No. 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: ALL AYES.

**Item 3: City of Meridian FY2017 Budget Presentation Workshop
Continued from June 8, 2016**

De Weerd: Item 3 is the Finance show. So, I will turn it over to Jenny. Or Todd.

Lavoie: Good morning, Madam Mayor, Members of the Council, and welcome you to day number three of the budget workshop for fiscal year 2017 and, again, just want to thank everybody for their time and efforts with developing the fiscal

year 2017 budget so far. Hopefully in a few hours we will be able to leave the room with a balanced budget for '17 and some of us can go to The Village and have a good time with Matt Damon and his friends. So, again, we will try to get this pretty quick for you. What we will do today is go over the agenda first. Our plan is to review the supplemental documents that Jenny provided to you on Friday and, then, we will also do -- look at the budget proposal as is as of Friday for you and, then, we will get into some discussions. We will talk about the property taxes and we will discuss those and finalize the property tax value for the allowable tax calculation. Then after that we will talk about merit calculation. We will, again, have some discussions and make a decision on what the merit percentage will be used for fiscal year 2017 and, then, we will do the same thing for the benefits. We will then have any discussions and make any final decisions for the benefits. As soon as we have those three major topics discussed and decided on, we will open it up for -- again, for any questions on the topics reviewed and, then, we will just take a quick -- quick break to allow people to get coffee and allow us to set up the budget summary sheet with the changes that have just occurred in the prior three topics covered. As soon as we get back from break and the summary is all set up for the next section, we will go through the enhancements, both funded and unfunded and we will also open it up for any discussions about any other line items within the budget by department. We will go General Fund first, alphabetical. We will go through each line -- or each budget and ask you if you have any questions and, then, we will go into the Community Development Division. Again, alphabetical. Ask if Council has any discussions or questions for the departments and, then, we will finish with the Enterprise Fund, again alphabetical. Let you discuss and ask any questions about any enhancements or budget items presented. Then, after that, we should have a finalized 2017 balanced budget and, then, at that point we can congratulate each other and celebrate and call it a day. So, that's kind of the agenda for today, you know, and just let us know if we can help facilitate anything, but with that we will go ahead and jump into the supplemental documents that were provided to you on Friday. I have just a quick overview of what we provided you on Friday via e-mail. Just to let you know, there have been a few minor changes since Friday and we will bring those to your attention after the break before we get into enhancements. Again, Jenny will announce -- or provide you with the three new changes since Friday we have had.

Fields: Okay. Madam Mayor and Council, as we have said, I have provided you electronic versions of what has changed since our last budget workshop in early June. Now, do you guys need hard copies?

De Weerd: I can pull it up on my iPad.

Bird: I have got it.

De Weerd: If I can get it.

Fields: I'm going to tell you what -- what I have provided. The first item that you have in the packet is an itemized list of all the changes that have occurred since June 8th. The second item is the General Fund summary sheets. The next one is the Enterprise Fund summary sheets. And the third is the unfunded enhancement report. These three items are found in the supplemental document section of your binder. The last item is a new enhancement from Other Government Department and it is the participatory budget enhancement number seven. Did you guys have any questions relating to these changes?

De Weerd: Any questions from Council?

Bird: I have none.

Lavoie: All right. Thank you, Jenny. So, what I'm going to do is over the next few slides just go over what the proposed budget looks like. The Mayor provided you a balanced budget with the zero percent allowable tax request by Council. The budget itself has a three percent placeholder in it at this moment -- at this time, one percent for market, two percent for merit. Again, we will discuss merit in a few more slides here. So, overall for the total city right now the budget sits at 91.9 million dollars. That's up 17.1 percent from last year and the total base budget is sitting at 54.5 million dollars up 7.5 percent from last year to date same time year over year. As I explained in June, the base budget is a number that we in Finance really focus on, because this is your ongoing. This is what we need to continue to fund year over year for the services that the taxpayers expect from us. So, as this number grows we need to also be concerned or have to look at the revenue sources as well. So, if the base budget grows we need to make sure the revenues are growing accordingly, because we can't have the expenses grow faster than the revenues. As you would imagine, that turns into a problem. So, again, just want to remind you that as we look at these budgets the base budget, if we are growing the base budget we need to be considerate of the revenue sources to make sure we can fund the base budgets during the long term. What we are going to do now is just go over the three major funds that we report on. Again, the total budget was 91.9 million dollars. The General Fund is currently sitting at 38 -- 38.79 million dollars. That's down 2.7 percent from last year. The base budget is at 33.6 million. Again, noting that it's up 6.9 percent. Going on with the same discussion we just had, if the base budget goes up we have to be considerate of the revenue sources to make sure that we can sustain and maintain those services that were provided to the citizens. The next section represents just the enhancements. So, this fiscal year General Fund presented 3.6 million dollars of enhancements and you can see total personnel operating -- operating capital and transfers listed there. Again, I'm going to focus on the ongoing base budget, which your total personnel ongoing, your total operating ongoing. Those are the funds -- those are the items that will increase or sit in your base budget for future years. So, if we increase these numbers, again, we have to be considerate of the revenue sources in the long-term to be able to sustain and support those services for years to come. In Community

Development sitting at 3.5 million dollars, that's up 14.2 with their base budget at 3.4. A majority of their expenses are directly related to our building community. If we see the building committee continue to thrive, those expenses will most likely increase due to our contracts that we have with our outside services. So, a majority of those increases are due to the increased growth that we see here at the city and their enhancements submitted this year at 76,000 and you can see those numbers represented accordingly. Enterprise Fund of the 91 million they make up 49.6 million, again, up 39.5 percent. Their total base budget is 17.3, up 6.6. Year over year the same time today. Again, Enterprise Fund follows the same rules as the General Fund. We have to be considerate of their base budget. If the base budget is going up we need to be looking at the revenue sources to make sure we have a good revenue source to maintain the increase to the base budget year over year long term and you can see their enhancements are at 29.8 million, with the majority of their enhancements sitting in capital one time. So, here I'm going to discuss property taxes real quick before we get into the property tax discussion. You've heard from me many times on why I believe we need to maximize the three percent. I'm not going to go over all the details that we have talked about, but I'm just going to use this one slide to help, you know, explain my theory. As you can see, the city has maintain a consistent growth since 1995 when we were just under 20,000 people. In May this year census gave us a number of a little over 90,000. So, you can see that the city has grown quite a bit in two decades.

De Weerd: And continues to --

Lavoie: Yes. So, that's a big change that the city has -- has taken on, you know, just the 20 years that, you know, we are tracking here. Even during the great recession of 2007, '8 and '9, the city grew, as you can see on this graph. The city has done it's best to maintain the taxpayers expectations for the past two decades. I have to say it's something we should be proud of. We have not had much time to breathe. We are constantly in change, we are constantly working with what we have -- what we are managing. So, again, the city continues to develop plans to manage this growth. Over the next few years we don't see a change in the pattern. We see continued growth in the development community. So, again, we have to plan accordingly. I think the chart will continue to follow the same path. So, again, the city has grown a lot. It continues to grow. As the Mayor noted, it continues to grow a little bit more and more. Again, we need to make sure that the resources that we establish today can help today, tomorrow, and in future years. So, this right here -- now that we have seen -- or you now have why -- I'm kind of emphasizing the maximization of three percent. I will explain to you what a three percent would look like for a few taxpayers here at the city. This graph has been presented to you in the past in different iterations. We track six houses here in the Finance Department. We have been doing it for the last ten years. These six houses represent different houses of different value and different locations in the city. So, what we are trying to show here is what the houses would -- what the impact to the houses would be if we maximized the

three percent. So, again, using these six houses, if you looked at the south Meridian house, for example, if we maximize the three percent we are estimating that it would be a \$16.41 end tax on an annual basis for them to -- for them to continue to receive the services that we provide today and, again, just as a disclaimer, as I have done in the past, this is no guarantee on future property tax amounts. This is an estimate based on what we have. Again, this is -- this is what we expect to see if we adopted a three percent maximization for south Meridian will be 16.41, as opposed to -- if we look at an Old Town Meridian home, that house would experience a \$6.24 impact to their property taxes on an estimate value if we maximize the three percent property tax. If the decision is to offer a zero percent allowable tax calculation, then, these values would be zero. But if we maximize the three percent these are the estimates that we would see these individual houses taking on for -- on an annual basis for the services to be provided. So, that what this picture shows, that's the impact to property taxes to you and gives you a better understanding what the three percent will look like from six individual houses. Last presentation I gave you kind of what it would look like at 100,000 dollar value, you know, cups of coffee is very -- again, I thought this would be a better representation. It shows you six actual houses on our best estimation. So, now we are at the point where we need to discuss the property tax calculation allowable percentage. Again, we need to also decide on what the percentage will be for the fiscal year 2017. So, I'd like to take this opportunity and offer the discussion point to be given to Council. Again, Mr. Bird, I would like to offer you the opportunity to facilitate a discussion amongst the Council members and, hopefully, get a decision so we can move -- apply that percentage to the revenue, so that we can provide you guys the revenue source and show you -- display to you what the revenue numbers look like, so we can move forward with the Mayor and the enhancements for further discussion. So, Councilman Bird, would you mind?

Bird: Thank you very much. Council, I believe that the first item we need to discuss and decide is what -- what we are going to take or if we are going to take any part of the three percent. So, I will open it up for discussion. I hope all of you will participate. Let's see what our views are and get it decided, because we can't come up with a budget if we don't know what the income is going to be. So, you want to start it off, Ann? What's your idea?

Little Roberts: Absolutely, Mr. President. Thank you. I hear more and more from people that are concerned about our services. They're moving here because of what we have to offer and we have got a lot of parks that are coming up that we need to make sure, you know, the services that we offer from safety parks and -- excuse me -- everything I think continues on the level and so for me the level of service staying where it is or even potentially improving is critical and I would vote for the three percent.

Bird: Mr. Borton.

Borton: Thank you, Mr. Bird. Kind of has a chicken or the egg issue open into it. Until we address the merit issues and in particular one item that was raised that will be addressed somewhere today is application of some revenues to select reserve funds, to articulate those future expenses we know are coming. We spoke of them a little bit last time. So, there is some portion I think that's going to require some percentage to be taken in order to adequately fund the reserves necessary to capture these future expenditures. The public safety fund, the replacement fund, and the capital improvement fund, two of which I believe have nothing in them or essentially nothing and we are just developing and improving these. So, I had -- and we will see where this goes. Three percent may be necessary to adequately preserve and reserve enough funds for the future years to cover those types of expenses. Fire Station 6, for example, and some law enforcement expenditures coming up in future years that -- that will need reserves to address. Until we decide some of these other issues I think the end result will be three percent. I'm giving you a really long answer.

Bird: That's fine.

Borton: But I have -- I have gone through calculations which might show, you know, one or two percent could be sufficient. I mean three percent is the maximum allowed, it's not necessarily required, and we have reserved -- reserves now -- not only our emergency reserves -- speaking just to General Fund right now. We have emergency reserves. We have some funds in the Capital Improvement Fund now, five -- 5.6 million that we will need going forward, but we have got Public Safety Fund, Replacement Fund, we have got those other future expenses. So, it might be sufficient to do something less than that. More than zero. I don't think zero will allow us to -- to continue to maintain our growth and the level of service that Mrs. Little Roberts referenced, which is critically important. So, I am acknowledging it's -- I think it's going to be more than zero, but I'm not certain it has to be three.

Bird: Thank you. Ty?

Palmer: Madam Mayor, Mr. President, I -- you know, when Todd started the presentation he mentioned that there was some additional changes since Friday and I think it would be irresponsible for us to make a decision on whether we are going to increase our citizens' taxes before we dive into the details of the book together and make a decision on what we can and can't live without and when we get to that point and we know how much money we need, that's when we should decide how much we are going to add to our citizens' backs, rather than saying up front we need this much more money, so that we can more easily make the decision and while it may take harder decisions than the ones that we may be on the fence with, if we make those decisions first, then, when we get to the decision on the three percent we will know what we need, rather than being on the fence and falling on the side of spending the money, because we know we are going to have it, because we already decided to take the three percent.

Bird: Thank you. Lucas.

Cavener: Sure. Madam Mayor, Mr. President, to a point I agree with Councilman Borton and Councilman Palmer. It is a chicken or the egg situation and to no fault of Finance, we went through the scenario, as Council Member Palmer described, there be Council Members up here saying, really, we need to make the decision if we need to take zero to three percent first. The part that I have struggled with is that we as a community have always said that growth pays for growth and the rationalization that I have heard from many people in taking more than zero percent is that our city's growing and, therefore, we need to increase the property taxes. Typically the recommendation is three percent to adequately cover that growth and to prepare for future growth and I struggle with that. I think that there are some, quite frankly, needed, unfunded enhancements that are in there and to Councilman Borton's point is -- does that mean it's more than zero? Potentially. But Councilman Palmer's point perhaps we should be having that discussion about what we want to include before we make the decision on if we are going -- if we have to take more than zero percent in order to pay for that.

Bird: Thank you, Luke. Genesis.

Milam: Thank you, Mr. President. I agree with a lot of this. If we don't know exactly how much money we need it's hard to know how much to increase and I kind of came to the table, I met with Todd, and, you know, trying to be realistic. Growth -- the growth is paying for most of the growth as far as additional funds needed. However, we have just regular inflation and -- and core costs go up and that's what the three percent or whatever -- one percent -- and I mean that's what that goes towards -- it's not really going towards the increases, it's really covering the -- the increase of the just cost to run the business and -- anyway, I went in with it trying to be moderate at two percent, but I am flexible and I think that we need to figure out how much money we need, but I don't believe -- so, I do understand now that this does not cover growth, but it is covering the -- the growth that we need that covers -- what it takes to -- to run the city. So, if we need additional employees because of that, it does take care of that and it's -- and the merit, you know, pretty much covers that. So, I'm somewhere in the middle on that.

Bird: Thank you. I -- I can -- I understand where I think everybody is coming from and I agree with a lot of it, but I -- I also look at the fact that with the enhancements -- I mean personally I could -- some of the funded enhancements I could kick out real fast, but maybe I shouldn't, you know what I mean? Maybe it's something that we do need. I do know one thing. We have to definitely this year start a fund and continue to put into it every year for public safety vehicles. We are not just talking about a half million dollar fire truck, Chief Lavey told me to get his vehicles up and running it's 60,000 dollars now. When I first come on we

didn't even pay 30,000 for them. So, we got to make sure they are there. As we grow and growth pays for itself, it just takes 18 months to see the money. And the Enterprise Fund, you know, they -- they are like a business. They get what revenue comes in and that's what they spend. But while this growth is going on, particularly in the Police Department, the chief is having to hire employees and every time he hires employees he needs vehicles and those vehicles, while they might not get a lot of miles on them, they get a lot of hours on them and you got - - you have got to keep current. So, I -- I'm flexible. I -- I definitely think we have to take at least two percent this year. I could stand the three percent personally, because I don't -- the public safety impact fees are very, very small, where the parks impact fees comes off of all residential and as long as we are getting 13 to 15 hundred building permits -- residential building permits a year, they get good impact fees for the parks and stuff. But on the safety concern I -- we have got -- we've got to not let that get behind and I feel in the last couple of years we probably have by not keeping up a public safety vehicle fund and one of these days you're going to get hit with a 1.52 million dollar bill to replace stuff. Let's be prepared like we always have been in the past. As I have said before, the reason we was able to buy that truck at such a good deal is because we had a safety fund built up. So, I am -- I'm flexible on that. And another thing you got to think about, if you don't take it now this year, every year it compounds and pretty soon the three percent -- you've lost 13 to 15 percent over a period of time. So, I agree with what Councilman Borton said about maybe we got the -- ahead of ourselves here, but I feel you got to know what kind of revenue you're going to have to figure out what kind of budget you have. So, anyway, Todd, you get anything off of this? I take it that we want to go through the budget before we decide.

Lavoie: Madam Mayor, Councilman Bird --

De Weerd: Now, is this my meeting or yours?

Bird: Well, I don't know.

De Weerd: Okay. I just am going to weigh in. Thank you.

Bird: Go ahead.

De Weerd: But I just thought you received a budget that had it at zero percent. That budget represented a maintenance of -- of services. That three percent is -- was shown in the information that you received did go towards the reserves to fund the CIP, to -- to fund possibly a reserve account for replacements and next year we hope we can show you more information as it relates to cost of programs, cost the service. I think it is important to show that -- that base and the anticipated cost that we have in next year's budget alone we will need that three percent to -- to absorb the cost of serving the growth and growth, as Council Member Milam pointed out, is covered -- it's that base that we have

looked at how we can cover a number of different plans. Facility maintenance -- we can kick the can down the road and we can pull facility maintenance out. I think that's what other cities and the city to our east did and had to pass a bond to improve their -- their facilities, because they weren't I think trying to pay attention to those upgrades and those needs every year as part of a plan. We have a compensation plan that is -- is underway, as I think Crystal pointed it out, if we need to reconsider that plan in the middle of a budget session, it's probably not the ideal place to -- to change a long-term plan and I think that it needs to be revisited. I am kind of questioning this year as -- if every two years that we have a change in leadership, if these plans need to be revisited, too, which makes it really difficult for long-term forecasting and for continuity and -- that our citizens, our employees and our facilities have to have some kind of continuum or constant approach. So, what you got -- and I think the conversation has been great on saving for a capital Improvement Plan, which is what those reserves are for and having a more calculated approach to our replacement plan, not just for police vehicles, but also for the replacements that you see every -- every year with servers or with computers or with vehicles, there is a constant need, but we hope to wrap that into a cost of a program, instead of looking at it in one big list, so you can start seeing what the costs are and what the performance outcomes are to each of those programs and every year we have gotten closer to that approach and I think we are on the cusp, which is exciting for -- I know for our senior leadership team and for Finance, who has helped drive this. So, those are just my high-level remarks. We -- we gave you a balanced budget that was really focused on continuing our level of service and we hope that we were able to articulate that that three percent helps fill a gap that is next year and kicking the can down the road in the lane -- some of these enhancements, it just moves it down to next year where we already know we have a big hit to the budget. So, I guess with that said, Todd, I will turn it over to you.

Milam: Madam Mayor?

De Weerd: Yes.

Milam: I would just like to add a couple more comments. The reason that we are the best place to live is because of our safety, because of our parks, because of our water and most of the people that I have spoken with are willing to pay, you know, 20 bucks or less a year to maintain the quality of life and the level of service that we provide, so -- thank you.

De Weerd: Thank you. And any other comments before I turn this over to Todd?

Borton: Madam Mayor?

De Weerd: Yes, Mr. Borton.

Borton: To -- to all of the points made -- and maybe this process and maybe Finance is going there -- it -- it may be helpful to update the summary sheet that we are utilizing and include some of the -- if there is issues that we are discussing, whether it's the merit decision, whether it's funding certain replacement funds -- it shows, you know, currently a balanced budget, no need to utilize available unrestricted reserves -- again, I'm just looking at the General Fund, 458 dollars. It's done. The Mayor and Finance did exactly what -- what everyone wanted to see. If we were to include and incorporate some of these -- these changes, that, obviously, would be -- it would become a negative number and, then, we are faced with a decision to utilize unrestricted fund balance to balance it, so to speak, or capture a revenue source, which would be some or all this available three percent. So, the way I was looking at that and trying to determine whether one percent or two percent or perhaps three is necessary to close that gap, if you were to do -- you have got -- there is zeros in some of those replacement funds, for example. If we were to drop a dollar figure into those, which I can make suggestions to do so, the ending balance will be a negative figure and, then, we have got a decision to say do we want to have that be a negative figure with funding those -- those particular reserves and if we do do we want to balance it like we did -- I think some years you have to, using unrestricted fund balance and/or utilizing some of the three percent. That's kind of the chicken or the egg, cart before the horse things that I think we wrestle with, until we know -- well, for example -- I will just give you an example. If we were to drop one percent of the General Fund revenues -- and we talked about this last year -- into a public safety fund, using a round figure of 336,000 dollars, that might not be exactly accurate, but if you place that into a public safety fund, a capital replacement fund, and a one percent of the capital improvement fund, for illustration purposes, that's just under a million dollars. It's about a million dollars. So, no other changes, now your fund -- now your General Fund is out of balance a million. So, if funding reserves in that example is important, then, we make the decision do we want to close that gap and balance it by using a portion of the eight million dollars an undesignated fund balance or do we close that gap with some portion of a one, two, three percent utilization of available property taxes. Is that --

Lavoie: Madam Mayor, Councilman Borton, you are a hundred correct.

Borton: Okay.

Lavoie: That's where we are currently at the discussion point is do we utilize the allowable three percent calculation based on the great points that everybody has brought up or do we tap into the unrestricted fund balance to fund those reserves. Again, I think you have heard arguments from -- or discussion points from everybody and that's where we are sitting at. Do we move forward with utilizing the property tax calculation or do we tap into unrestricted fund balance. That's where, you know, we are kind of sitting at. I believe we could make a decision -- or at least lead the discussion to -- you know, where we want to go.

We did provide you with an unfunded report. That kind of shows what the Mayor was talking about. We provided you a balanced budget, 450 dollars at right now. We provided you the request that we believe maintains what the current taxpayers expect from the city and, then, the unfunded report represents if we had some additional revenue sources these are the dollars that -- or these are the dollars that we would like to see spent on the particular activities presented to you. So, the budget that we provided to you is balanced, as the Mayor stated. It does represent what we believe maintains the expectations and now we are at the point if we wish to utilize the three percent we have also provided you where we would like to see the three percent, two percent, one percent allocated to from a funding mechanism. So, again, I -- if we are not comfortable with making a decision now, the chicken before the egg, as Councilman Borton called it, we can move into the enhancements. Again, the enhancements are presented to you in a balanced budget, based on what we believe is maintaining the expectations. Again, we can open it up for discussion if that's the direction, but we are promoting -- you know, what Mr. Bird stated, if we get the revenues first, then, we know where we are going. But, again, we -- I'm opening it up to you with the direction of -- if we decide on revenue I think decide on the expenses. But if we need to go with the expenses first we can back into the revenue. But as the Mayor stated, we have provided you a balanced budget with the request submitted as is. So, it really comes down to -- again, Councilman Bird, I can lean on you, I mean we can go with the revenue first and do that or we can go with the expenses first, but we are leaning towards -- you know, if we get the revenue decided on, then, we can help you guys decide on what expenses we can spend the dollars on.

De Weerd: Mr. Bird?

Bird: Madam Mayor. Council, I take it that -- Todd, that the consensus of the Council was they would like to go through it before we determine what we take regarding that and so we need to look at the enhancements that -- that were funded and also the ones that were unfunded and see if we want to leave it and if -- if we don't -- if we don't want to change or add anything, then, we have got a balanced budget without the three percent. So, that would be my -- but I think there is going to be probably some changes wanted. So, I guess we better go through them, then, before we look at the revenue.

Lavoie: Okay, Councilman Bird, we will definitely do that for you.

Bird: Okay. Thank you, Todd.

Lavoie: So -- thank you. So, what we will do is before we get into this, Councilman Palmer brought up the -- the point of there is some minor changes since Friday, so we will definitely bring those to your attention right now. The first item that was presented as a change -- I think it was this Tuesday Public Works presented an overall merit adjustment that had an impact on one of the

enhancements, so the Enterprise Fund enhancement known as personal reclassification request was reduced just a bit on the Enterprise side. So, we will hand that out to you. The next item that has changed really -- change to the General Fund -- in previous discussions between Council and the parks division for the Bellano Creek slash Rita Husky neighborhood park, it was requested that 150,000 dollars of impact fees be allocated towards the project. So, we will be providing -- providing you an updated enhancement with 150,000 dollars in addition expenses, which are covered one hundred percent by impact fees. So, again, they do not have any -- it does not have any impact on the bottom line or the General Fund. And one other item that we have -- is on the Community Development tab, that division, we have a removal of an enhancement. It's the EDR enhancement for 31,500 dollars. Again, that would be on the Community Development side, which does not impact the General Fund reports. So, again, the EDR was removed, so if you look at your Community Development summary sheets, it's going to be the first enhancement called professional services for Accella EDR. We have removed that from the budget itself. What we will do is three minor changes that have occurred since Friday. So, with that our plan was to -- you can go ahead and slide -- our plan was to go over each budget fund, starting with the General Fund. We are just going to go alphabetical order starting at the very top in this case is going to be -- first department that we are going to open up for discussion for Council is going to be the clerk's division. Again -- so, I'm going to open it up to the Council. If there are any items of concern or question from Council on the clerk's division, I open the -- the mike to you to discuss those. The clerk's division is here to represent any questions. If there are no questions we will consider the clerk's division's budget as presented to you accepted and we will move onto the next department. So, any questions for the clerk's division as it's presented to you today?

De Weerd: Council, any questions?

Bird: I have none.

Lavoie: All right. No --

De Weerd: To City Hall? Council, any questions on the City Hall request? I would call them not requests, but mandates. I'm sure our attorney doesn't call them that. I do. If there is nothing further to that -- what is going on the -- I guess enhancements? Go by department? Anything on Council's budget? I think we need to slice it in half.

Bird: I think we need to --

Cavener: So moved.

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, just on the travel and lodging and everything for Council, I -- I don't think we need to be going on vacations on the taxpayer dollar. I think we've got the technology today to be able to communicate with whatever other cities we want to ask questions of. I think where staff visits other cities is very appropriate, but I think Council -- we have our staff to lean on and, again, the technology to communicate with other entities to learn what they're doing, what we need to -- what we can learn from I guess and the different seminars and conferences and stuff that we have the opportunity to go to, I just feel it's inappropriate. I'm probably alone in that, but that's where I'm at on that.

De Weerd: Okay. I would just say that I do not know of one Council Member who has gone on vacation on their training budget. I do believe that it is an expectation of our community that our leaders lead and that you do look at best practices in other areas in that regard and also look at ways to improve our opportunity to serve our citizens. We have found a great value from Council Members going to trainings and bringing best practices back for discussion by this Council and I think it's been very beneficial to our community. Developing leadership is -- is important and developing those best practices and ideas of how we can improve accountability, transparency, and I think one example is the participatory budgeting that Councilman Borton brought back from the National League of Cities, that he found was something that would work very well in our community and brought a pilot project back that I think has proved that the idea has merit in our community. So, I -- I think that opportunity -- not every council member has taken that opportunity, because they balance it with their other responsibilities, primarily their full-time responsibilities, including family and that full-time paying job. But I would hope -- I would hope that training in the City Council budget continues to be a priority to -- to better policies, to better self and to better serve. So, just my opinion.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Thank you for saying that. I think it's important to be reiterated. I'm not aware of any Council Member that has went on vacation using taxpayer dollars and I think it's important that that's reiterated once something like that is put out or people often sometimes will only hear what they want to hear and I think that's -- and this is definitely not the case. Secondly to that, oftentimes our staff has benefited by networking with their peers. Likewise, Council Members and Mayors have benefitted from networking with their peers. I think it's great about this Council and this Mayor is that there are opportunities to do that remotely, to do that utilizing technology. I think this is a Council that chooses to do that. Oftentimes there aren't those options made available and thus we travel as need be to take advantage of those opportunities. So, one more time, I think it is important to be reiterated that nobody on this Council is going on vacation using the training budget.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: And forgive me if my -- if my words were offensive. I didn't mean to say that anyone on this Council would have used it for that and I can't speak for past councils, but I just know that sitting before me I have three devices that grant me access to the world's wealth of information and easy direct communication with millions of people and I just feel that we are moving in a direction where these opportunities for spending money could be disbanded and other ways to -- I guess meet the goals of -- of what they are for.

De Weerd: I guess -- I was just going to have one comment, because I'd like to get out by noon.

Bird: Madam Mayor?

De Weerd: Hold on for just a second.

Bird: Go ahead.

De Weerd: I participated in incident command training for ICS and I have done both online and in person training and I can tell you that the in-person training is much more valuable in hearing the questions and having the dialogue, even during the breaks and talking about things that went on in the classroom. That -- that is irreplaceable and there are some things that are very good online and I think ICRMP makes us walk through online training every single year, but that -- that face to face is invaluable and it does bring additional conversations that you cannot get online on a device or in a textbook. It's -- it's that dialogue and that's where it -- the biggest lessons I think sometimes come out. Mr. Bird.

Bird: Madam Mayor. I will just speak for previous councils. When I first got on we -- we didn't all go to AIC or -- only one or two would go. But I think Luke hit it right on the head. It's been a benefit -- at least to me to be able to mingle with the other elected officials, other staff. It's given me some good ideas. It's not a large -- I mean it's not a large amount and as everybody stated, I don't believe anybody has ever went on a vacation. If they have it's been a pretty cheap one.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: When it comes to you attending things I completely agree. As a full-time servant of the people of Meridian I think it's very appropriate that they attend whatever events you feel are going to improve your ability to perform the task. I

have heard at least one other Council Member in private speak against these and if that person chooses not to back it on the record, that's fine.

De Weerd: See, that's the value of training. You have informal conversations and somewhere between you can -- you can say, um, maybe I was wrong. So, moving on. Anything further on Council line item?

Little Roberts: Madam Mayor?

De Weerd: Yes. Mrs. Little Roberts.

Little Roberts: Question regarding the -- what I currently call the internal auditor. I was just wondering about where it's not fund wise if we should leave it in the funding until it's got a definition as far as the job description and things and, then, look at bringing it back as an enhancement. I guess I'm just a little curious about leaving something in there that doesn't have a definition and an actual job description.

De Weerd: Well, I can't help you on that one. Mr. Borton. Or Mr. Cavener. Not my thing.

Borton: Madam Mayor, this is your thing. It's all of our -- all of our things. All of these things. All of these are. This included. So, I -- Council Woman Little Roberts brings up an interesting point, that we have referenced on and off -- this position has not been defined. There is great opportunity and there has been some great work done by various departments here to try and articulate the best way to capture what Council was trying to provide and also address maybe some other needs in the city and I know those -- that work continues and your office and Ms. Holman and Finance and -- tried to work on some job descriptions for that. I agree with Council Woman Little Roberts that if we have funded a round peg and it's becoming a square peg -- assuming I'm going the right direction. But I'm inclined to unfund it, to take that out and as soon as the job description that articulates something that we all believe is necessary and we could, then, put out and fill and hire -- and if that even necessitates a budget amendment I'm not opposed to that budget amendment. As soon as it's ready and we are all on board, whether it's in this process or in a budget amendment, that might be the better way to go, because right now it's funded and it isn't really the time. We have all talked about it. So, it would not break my heart to take that out, but don't abandoned the process that's nearly completion, but --

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: And question maybe for you or for Council Member Borton. Do you anticipate that process being completed by the beginning of next fiscal year?

Bird: I hope so.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Great question. I mean let's put a deadline on this. I think there is job descriptions and ideas that have morphed somewhat from the original intent -- still try and capture it that we all need to review. We have it and I don't think it's even necessarily -- ink's dry on it. So, the answer would be yes. I think we should put it upon ourselves to have a hard deadline, that if something like this is truly necessary and -- and we can articulate job description duties that fulfill those needs, let's get off the fence quickly and if we can't do it by -- good Lord, October 1, then, it must not be a critical need, then, so be it, we don't bring it forth in a budget amendment.

Cavener: Madam Mayor, maybe another comment. I feel bad. It seems every October, November the department -- the one that draws the short straw is the first to come before us with an amendment and, boy, we give them a lot of grief and I think that it's important that if we are the ones giving the grief, then, we should be working proactively to have this ready to go come October 1, not have it as if we are not ready to go by October 1 that we don't bring it forth with an amendment. Just my two cents. I would argue for keeping it in the budget and that being a finish line for Council as a whole to work to get this project completed.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I would agree with Luke on that. I think we set a deadline of having somebody in place by October 1st to take over and I think it can be done. I think we have all -- all tried to get our arms wrapped around it and haven't done it, so -- and it's been going on for two years. We need to either get it done or not and I would -- I would -- I would leave it in for now, because I'm like Luke, I don't want to come back October with a budget amendment for all the grief I have given the people that have come, like Finance.

De Weerd: I would love that. I would relish the opportunity to give you grief.

Bird: I know you would.

De Weerd: Certainly you're not going to get anyone hired by October 1st, but at least answering the question is this FTE necessary and if the -- and to solidify what the duties and responsibilities and need this answers. So, I think we can

put this on our future agenda to have a discussion on that and see if that's something to move forward with or not. We will shoot for some time around the end of August to have that discussion on Council.

Borton: Great.

De Weerd: Okay. Any further questions on the City Council department and Finance? Any discussion for Finance or questions? Okay.

Borton: Madam Mayor?

De Weerd: Yes, Mr. Borton.

Borton: No questions, but it's -- to their hard work and who -- their liaison relationship with them it's --

De Weerd: The great liaison?

Borton: -- really made this year special. No questions. Perfect in Finance.

De Weerd: Oh, so each department reflects on each Council liaison? Just make note of that, all of you. Okay. If there is nothing further for Finance, Fire. Does the liaison have the same comment?

Borton: Exact same conclusion.

De Weerd: I guess before we move to -- well, Fire, let's finish the admin.

Borton: Okay.

Bird: Yeah. Human Resources.

De Weerd: Yeah. IT first in the enhancements.

Cavener: Are we in IT or are we in HR?

De Weerd: HR. That's why I see the little thing. I guess one of the things we didn't discuss and I don't know if you want to do it at this point or after you have gone through the enhancements to talk about the merit and the benefits. Todd, do you have advice on that?

Lavoie: Madam Mayor, I think based on what I have heard from Council that I think if we discuss the merit after we do the enhancements would probably go along with getting the expenses figured out first and, then, tap into the revenues and, then, the merit and the benefits afterward. That's just what I'm hearing from Council.

De Weerd: Okay. I do want to caution -- you know, we have a compensation plan that -- that was adopted in October of 2013 and at that time through the process it was called employees first and I hate to have the merit discussion and the benefits discussion at the end, making it look like we are -- we might fund a plan for compensation based on what we have left, because certainly that's -- that's not -- that's not the approach that councils in the past and have had and I -- I would hope that that's not our approach neither.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, I think the optics are the opposite, that our goal is to be able to take care of our -- our staff as well as possible and so we are going through the enhancements to know which ones we can remove or deal with otherwise to be able to make sure that we can take care of them appropriately, instead of maybe deciding on a two percent now and so that we can, then, worry about the enhancements -- worry about the enhancements, so that we can decide if we can get all the way to the three.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: I agree with you on this. We are having discussions right now about the merits of adding water filtration or computers or other enhancements and I think that we should be having that discussion after we have made the decision about how we are going to invest in our most important resource, which is our employees. And so I would caution this Council with waiting until we have went through all the enhancements to have a discussion about what, if any, merit increase is going to occur, what, if any, changes to our benefits are going to occur. That shouldn't be a discussion that we have at the end with whatever savings we have, we should be looking at that as a priority.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I will cut to the chase. The figures that I had placed in what I thought for discussion purposes clearly included a three percent increase for the merit and it included what we will come -- circle back to is the allocation of one percent of the 2017 base budget into those three particular reserve funds. So, that's where I'm -- on all of those.

De Weerd: I guess I had a question. You're placing the -- what in the reserve funds?

Borton: One percent of the -- similar to what we did last year with the public safety fund, one -- one percent of the 2017 base budget, which is 336,000 dollars and I think it would, quite frankly, be an annual commitment that that is done at the start of building a budget, which we will refine this process in the fall, but -- so, when you see the four blanks in line 30, 32 and 33, those each would be populated with 336,000 dollars. I think the three percent merit proposal is appropriate, which is included in there already. That's going to place it out of balance temporarily and as we continue going through, then, the enhancements and the funded and unfunded enhancements, then, we will address how we are going to close that gap.

Milam: I second that.

De Weerd: Is that what you would like us to plug in so you can see that running total?

Bird: Three percent.

De Weerd: Are other Council members good with the one -- keeping the three percent in for the recommendation by HR, which was a one percent market adjustment and a two percent merit, as well adding to -- I believe you said the replacement line -- replacement reserve --

Borton: Correct.

De Weerd: -- at one percent of the three percent, which was three hundred and something thousand.

Borton: Yeah. Madam Mayor. So, line 26 represents that -- exact right there.

De Weerd: Oh, one percent of this line.

Borton: Correct.

De Weerd: Okay. Of the base budget.

Borton: And the idea is we can refine that into a formal-informal policy if we all feel it's appropriate to build our budgets with those assumptions that you're going to populate those reserves off the top.

De Weerd: So you know where we are.

Borton: Yeah. Because you know you have got those.

De Weerd: Okay. So, Jenny, do you want to plug in the one percent in the replacement fund.

Borton: And Madam Mayor -- and we know that the 932 and 33, the replacement of the public safety are funded, so to speak, only through this process. The Capital Improvement Fund also has Community Development revenues. This isn't the sole source of revenue for the Capital Improvement Fund.

Bird: No.

Borton: But for the others it is.

De Weerd: Okay. Additional discussion?

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: Joe, you were referring to the base budget line; correct? Not the yellow highlighted one?

Borton: Correct. And there is not a hard and fast rule. Finance might have a suggestion. You kind of get what I'm trying to capture is some rough benchmark that we can utilize annually. If the 77 million is a better one for a particular reason versus the 33 -- I'm open to suggestions. It's just capturing one of the two.

Lavoie: Sure. Madam Mayor, Councilman Borton, last year we used one percent of the revenue source as the calculation. We can -- either number -- either approach can be developed. It's a philosophy that we have to decide on. But we could definitely go either way. I would recommend using your revenue source as your determining factor --

Borton: Okay.

Lavoie: -- as opposed to the expense. That's just my opinion. Just to follow what we did last year.

Borton: And that would be -- for the purpose of this exercise I would suggest doing that. So, that would be 373,000, roughly.

Lavoie: Correct.

Borton: Okay.

De Weerd: Okay. So, anything further in the HR realm? Okay. Moving to IT.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: So, this is maybe for me where things become a little more active. In light of a lot of the conversation we have had so far this morning, in trying to do proper homework, I went back through our budget and I have identified some items that at least I think is worthy of discussion at the Council level and perhaps some additional insight from directors or department representatives to maybe articulate a little bit more about a particular enhancement and/or replacements. I recognize that we all have different motivations up here as far as to -- to take a zero percent to three percent and what that -- how that benefits our residents either in the form of tax savings or higher levels of service. So, there is some items that I think probably in the next few sections that I'd like to maybe invite the -- the director or the department representative to come up and provide a little additional insight for me. There is -- there is two items that are in IT, one enhancement number three, a security assessment, as well as some under replacement list, two Dell PowerEdge servers that were purchased in March of 2013.

De Weerd: Dave?

Tiede: Madam Mayor, Members of the Council, happy to be here. So, do you have a specific question or would you just like me to talk about the philosophy behind these requests?

Cavener: I think if we will maybe start first with the -- the replacement cycle in the server. If you could maybe articulate to the Council what a replacement cycle is for our servers, why we are purchasing servers that were -- we purchased in March of 2013, why they are needing to be replaced. You and I have had some similar discussions, check what happens if this is prolonged a year, what happens if it's prolonged two years, five years and, then, maybe we can touch on the security assessment afterwards.

Tiede: Okay. Sounds good. So, according to our replacement policy, which was adopted by Council a number of years ago, our server replacements are on a four-year cycle, instead of a five year cycle like our other computers and the main reason behind that is because our servers have a much larger impact to the services that we provide to our customers which are city staff; right? To give an example of why that is important to us, without getting into the details, we virtualize our servers, so one of these servers actually runs ten to 12 different servers, which, in turn, represents anywhere from ten to 20 or 25 different applications or services that are being provided. So, when one of them has an issue or runs slower, it has a much larger impact than just one personal

computer. One example that we were able to articulate over this last few weeks after you and I had discussed was the utility billing system. They do bill calculations to, obviously, generate bills and send out to customers, running on - - so, we did a test with a number of our servers and running that same bill calculation on a server that was two years old versus a server that is six months old, was double the amount of time. So, it gives you an example of the impact that it has and that's why we recommended a four year replacement cycle, just because the way that we are handling servers and whatnot with virtualization. So, that's really the story behind it.

Cavener: Madam Mayor, Mr. President, maybe a follow up. When you say double the amount of time, is that -- is that an impact of seconds, minutes, hours, days?

Tiede: In this case it was minutes, but it depends on the application and the load. For instance, our current utility billing system takes around ten hours to run bill calculations and that would be the same impact there.

Cavener: Okay.

Tiede: So --

Cavener: Great. Dave, let's jump into the security assessment. Again, this is a topic you and I had discussed at some length and I think it would be beneficial for the Council maybe to hear some historical perspective on why this is being recommended now and the current needs.

Tiede: Okay. The security assessment is something that we have wanted to do for a number of years. It has been on our radar and even submitted an enhancement to the Mayor's budget, but retracted or removed before it made it to Council on a number of occasions, just because it was a lower priority request. The main reason that we want to do this is because it's a self check and balance of what we are doing in IT and also guarantees a level of protection that we have for all our various systems that -- that house all the data for the city. We, as you can imagine, maintain customer information -- whatever it is and we want to make sure that information is secure. Probably the biggest reason why it's come up again and why it made it further in the process is because -- or is due to all the -- the various security breaches that we are seeing in the industry. If you look at the various ones that have happened at Target or whatever, where customer data has been compromised and out there in the wild on the internet and available for, you know, malicious intent. That's -- that's really, again, why we are -- we are focused on this again. We, obviously, have checks and balances in place. We have IT security practices, best practices that we follow. We have protocols in place. But it's nice to get an outside perspective on what we are doing, make sure, hey, look, it looks good. Have somebody go through and do some of those checks and balances and actually attempt to compromise our

system and say, yes, it can be done or it can't be done or you guys need some better controls in place, so that we do protect that customer and data. So, that's really what we are looking at and, again, it was probably brought to the forefront of my mind more because of all the various breaches that have happened over the last few years.

Cavener: Madam Mayor, Mr. President? Dave, are you aware of any municipalities in the state that have had a data breach?

Tiede: In this state?

Cavener: Uh-huh.

Tiede: I can give you one example of a municipality to the east of us that had a sprinkler control system that was compromised, they had a -- what is called a denial service attack where, basically, somebody hit the device enough to where it cannot function. That was a sprinkler control system. Probably not a huge deal. But if it hadn't of been caught, then, it could cause other issues, obviously. Otherwise, in the state I don't know of any immediate ones, other than, obviously, ransomware has been a big topic as of late and that would be another one. I guess I could give it as a good example. A city to the north of us -- quite a bit to the north of us was compromised and had ransomware put on their machines and they actually had to pay out to recover their data, which they -- they are a much smaller municipality, so what they had to pay out was probably a lot less than what we would have to if we were compromised in that fashion, but, obviously, these are the types of things that are happening in the IT world that we are -- we want to make sure we protect against.

Cavener: Madam Mayor, Mr. President, maybe Council -- or question for -- for legal. Bill, what type of risk would the city assume if our MUBs billing system service was compromised and customer data was taken?

Nary: Madam Mayor, Members of the Council, Council Member Cavener, because we haven't had a lot of experience in that realm I don't know. I would have to talk to ICRMP to see what their concerns would be in that regard, so I don't have an answer for you.

Cavener: Okay. Answers my questions. Thanks.

De Weerd: And I know that the enhancement that you saw was leveled out in looking at it in phases to -- so, it wasn't one big hit to the budget IT tried to have an approach where they were able to -- to parcel it, so it's a three year process. Chief?

Lavey: Madam Mayor. I just thought I would weigh in on this. I have a lot of faith in our IT staff and they do great work. But we have a lot of sensitive

information stored on our citizens on our computers, some very vulnerable information that nobody needs to know about as we deal with them in their -- their darkest times of life and I want to make sure that that information is protected to the best of our ability and sometimes it takes a third party to come in and look at that. So, you know, this is 20,000 dollars to make sure that the rights and privacies of our citizens are protected and I just think it would be irresponsible of us to not -- to not look at that, so that's just my opinion, but I thought it needed to be said.

De Weerd: Thank you, chief, and I -- I think probably Public Works would say the same in terms of the security of our water and our wastewater facilities and -- as well in looking at those homeland security areas that -- that are identified, so -- any further questions?

Cavener: And, Madam Mayor, I think to that point if -- this is the first year that we have discussed it. I think it was probably warranted in years past, but for whatever reason it's been removed since and I think the Council has also approved a variety of budget amendments to increase the security at many of the facilities that water and wastewater, police, have roles in, so I don't disagree that I think it's important, but I think in light of this being the first year that it has been brought before us, but not the first year it's been discussed, it warrants a discussion for Council and for the consideration.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: This -- this, as I understand, is a five year program of 20,000 each year for 100,000. I think it's something that we seriously need to invest in myself. It's -- we don't need anybody getting compromised.

Cavener: And, Mr. Bird, nobody -- I don't want to be wrong on this. I totally recognize that. I just -- I think it's worthy of discussion.

Tiede: Council Member Bird, just one point of clarification. It would be an ongoing thing where we would -- we would be cycling through a three year program on a regular basis and hitting various aspects of security along the way.

Bird: Okay. Thank you.

De Weerd: Okay. Any other questions in the IT area?

Tiede: Thank you.

De Weerd: And to legal. Hearing none. Under the Mayor's office.

Milam: All of it.

De Weerd: Cut it in half.

Cavener: Cut it in half.

Bird: Just cut it 75 percent.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Not a question, but maybe more of a comment. It's -- amongst the variable graphs we have in our binders, one that reflects the Mayor's office, which may be atypical in other government entities is -- over the last ten years has gone from six employees to five and the opportunity to grow staff and -- and just merely grow is -- I think has been restrained. Kudos to the Mayor's department for -- for that ability to operate as our city has grown immensely, the Mayor's office operates well with good staff. I know everyone's working extremely hard there.

De Weerd: Thank you. That's because it's all on Robert. Appreciate that. Good staff. Okay. Other government.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, on the enhancement for the Welcome to Meridian signs, love the signs that exist, they are very beautiful, but I feel that this is 45,000 dollars that we can better put elsewhere for this year.

De Weerd: Okay. I had asked Bruce or -- Bruce, are you doing it? To help give an overview. I -- these are one of those things that have been discussed by future -- or previous councils and so I thought maybe Bruce can give you an historical overview of -- of that and where we are in --

Chatterton: And, Madam Mayor, Caleb Hood is our project manager for this I see him just walking in the room right now. I'm saved.

De Weerd: Saved by the bell.

Chatterton: For now.

Hood: Madam Mayor, Members of the Council, there is a little bit of a delay on the stream, so I heard other government and I came, but I missed the question or the concern about the enhancement.

De Weerd: If you could give some historical overview of the sign program, what -- what has been approved in the past and how we anticipated rolling it out so we could see where the city begins and -- and lets people recognize that.

Hood: Yes. I little bit of the history on that. About five or six years ago we as staff, at the direction of the Mayor, started to look at monument signs, welcome signs, if you will, into our community to kind of set ourselves apart from -- as we are growing next to other communities. We looked at three different signs -- or that's what we ended up with was three different sign types. What we have in our community now, the metal signs that are two by three and those are on most all of the arterial roadways coming into -- to the city some of those are -- are temporary and ultimately will be replaced with larger monuments signs that you see in an enhancement request today. A couple of them anyways. That was a plan that -- that we looked at some of the major arterials. The highways -- so, the Chindens and the Eagles and the Meridian Roads doing this more robust monument sign that's 11 by nine, somewhere in that realm. They are fairly large signs and -- on Ustick and Fairview and some of those major arterial roadways. On the lesser arterial roadways, like a McMillan, a Locust Grove, the metal signs will suffice and that's kind of the plan for the city. So, I just looked at this earlier this week and I believe there is 24 or 25 of the bigger monument signs, the ones that are costly, throughout our -- our city. Roughly half of those -- the idea was the city would pay to install, because that -- those properties had already developed and we didn't feel it appropriate to come back on or couldn't require a developer to install a monument sign, a gateway sign, on their property when they already had been entitled and the development had occurred. The other half, roughly, though, were on properties that were in the future to be annexed into the City of Meridian and the idea was that through that dialogue of coming into the city some of the negotiation and the conversation would be would you be willing. We would like to have your properties right on the boundary. How do you feel about being -- welcoming folks into the Meridian community as we welcome them. So, that's kind of where we have gone with a few of these. We have had three or four of those properties, again, since 2011, that was -- the plan was discussed and -- and adopt in 2011. 2012 we put some policies in our Comprehensive Plan that say work the plan -- adopt the plan, work the plan and that's what we have been doing for the past couple of years is trying to every year kind of chip away at those roughly half of the 25 where it was envisioned that the city would fund them to get those put in place. So, we are stilling looking at a ten year plan if we did, you know, a couple every year to get these done and, then, ultimately when you get out to State Highway 16. So, hopefully, that kind of answers some of the philosophy and the history with it. Again, we are only roughly five years into having an adopted plan with these monument signs. We did the interim signs of metal. We are working with Robert and Max Jensen this

year on potentially putting in a couple more. I think you all are aware of the CarMax, that one is up now. There is also one at Linder and Chinden on that property. So, they are starting to come online more and more. Looking at Eagle Road and it's at the interchanges as well. So, hopefully, that gives a little bit of the history and perspective. We are trying to work the plan that was adopted roughly five years ago.

De Weerd: Thank you. Any questions for -- for Caleb?

Cavener: Madam Mayor, not a question. I appreciate the feedback. That said, I have to agree with -- with Councilman Palmer. I think these signs are beautiful. They definitely create a sense of place, but if -- if we are having a discussion about everything being on the table and, again, that continued conversation about that we are growing and there are increased needs for Public Safety -- Councilman Bird earlier articulated 60,000 dollars for a police car. Well, if we forego these signs we are almost at another police car for our police department and so when we really start looking at what the demands for our citizens, I don't think a lot of our citizens are clamoring for us to have signs put up across the communities, regardless of how beautiful they are.

De Weerd: Okay. Any other questions on -- in that regard? Mr. Borton.

Borton: Madam Mayor, to Finance, when I look at this enhancement request four, in light of what Caleb has described, was there prior year funding or would that -- would it be appropriate to have a dollar figure placed there merely to -- to show to us that there was some year-over-year commitment to some type of program and, quite frankly, in 2018 and 2019.

Lavoie: Madam Mayor, Councilman Borton, we could definitely provide you that information, so you can see what the historical was and what the future plans are. We can work with the division in charge and we can get you that information in future years. So, again, we apologize for not providing that to you at this current junction, but, yes, it -- that part of the report is intended for that to provide you the information was that's spent in the past and what the plan is in the future.

De Weerd: Well -- and, then, probably in that future commitments, too, I recall on the north end of Locust Grove is -- the Dean's property came in, they have paid for half a sign and the other half was to be -- to be either from the city or as the property across the street where it was to be located, that the church allowed a location that would be development driven or even city partnership. So, those kind of things need to be also captured, because those are our prior decisions as well, so --

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: So, this being an enhancement for 45,000 dollars before us, can we vote on it? How does this work? What -- I'm new to this process. I want to remove it.

Bird: We can do it now or we can go through it when we go through the enhancements. It will be -- show back up when you go through the --

De Weerd: Well, we kind of are going through --

Bird: Well, we are going through it by departments, but the overall enhancements --

De Weerd: So, Council, I -- I would prefer as we get to that enhancement if you have any question, if you want to remove it and the rest of the Council agrees, then, that's what we do, so -- any discussion on it? The recommendation is to remove that enhancement.

Cavener: In the form of a motion? Do we have to make a motion on that --

De Weerd: No.

Cavener: I would -- I would agree we should remove it.

De Weerd: Okay. You know, again, we will need to revisit this, because expectations have been set that we do have a sign program in place and we can kick the can down the road and -- and revisit this at a later date to -- to see if, in the middle of this program, we want to just abandon it. So, I -- and I would say that this didn't come out of nowhere, it came through public comment, it came through requests citizens wanted to -- to show that people have arrived in our community and that is why a master plan was put into place and I will say that a lot of thought was put into it on the design, on the locations, on the sizes and, again, we are surrounded by five sides, if that makes any sense, five sides, but -- from other communities and people wanted others to know when they arrived in our community.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Where it's not a life safety issue or a failure to maintain an existing situation, I think it's one that can easily be picked up later, you know, if the times provide that we are adequately funding things that need funded, then, these super nice to have are -- will be more appropriate then than -- it's far from a need to have it, got to have it right now, especially where we are, you know, nickel and

diming to try to find a way to fully take care of our staff and fund public safety issues.

Milam: Madam Mayor?

Bird: Madam Mayor?

De Weerd: Mrs. Milam.

Bird: Go ahead.

Milam: Looking at this request I have mixed feelings. I do like them, you know, but I agree with Councilman Palmer, if we do need to eliminate something, this might be something that we could, but I'm really struggling with why we would put a permanent monument sign at Overland and Meridian. That just seems a little too inside of Meridian if -- if we are putting them on our boundaries --

De Weerd: That's coming off the freeway. So, that's a welcome to Meridian as people come off the freeway and enter both the north and south part of our -- our community. So, there is -- there is one on the north side that was before there was a unified plan that was designed as part of the split corridor or prior to the split corridor and the other monument sign has been identified as a location since that master plan has been put in place.

Hood: Maybe just to add to that a little bit, Madam Mayor, Members of the Council and Council Woman Milam, that sign was actually originally planned to go in the island at the off-ramp from the interstate and, then, FHWA denied our request. So, it's not our ideal first location, but that is the idea the people getting off the freeway headed southbound on Meridian Road it would welcome them into town. But we tried to get it in the effluence of the interchange. We thought we had it. ITD approved it and, then, the feds stepped in and said, nope, we aren't -- you can put it there. So, it's plan B, but -- just a little bit more background.

De Weerd: And a lot of that was driven by south Meridian residents. They felt the only signage you really saw was the Birds of Prey and you didn't know if you were going through Meridian, was it Kuna, where are we. And so that was part of that southside pride -- that southside came out of my -- out of my listening tour. We had a chance going on the south side, so -- they are in search of an identity down there. Down there. Okay. The southsiders. Soon to be. Any other questions on that one or are we looking at removing this enhancement? It looks like I have --

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Before we -- are we leaving in the facilitators -- the two facilitators for -- 100,000 for --

Cavener: I think that's another --

De Weerd: We haven't discussed that yet.

Bird: Well, it's part of the enhancement on this.

De Weerd: Well, can we just -- first, are we removing the signs?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I'm comfortable if they -- if they come out. I'm not heartburn if -- the only thing that gives me some pause -- well, in addition to amendment to a program, but also if the expense of the sign -- the monument sign, which is a fantastic part of the city, is -- is borne by us, as opposed to individual developers, if that cost share falls more on us and less on them, that would lean me to keep it in our budget as it is.

De Weerd: Well -- and, again, I -- on -- on this -- on the Locust Grove one is -- is that moving forward, so we at least need to fund that -- that half of the sign? I don't want to come back for a budget enhancement -- or a budget amendment.

Hood: Madam Mayor, Members of the Council. So, the Locust Grove sign was put on hold due to the reconfiguration of that intersection, which is anticipated in the near future. Those funds are reallocated towards the St. Luke's sign that is looking at going in, as well as the -- one that's looking to go in on the Winston Moore property just on the north side. But the original funding for this was in FY-15, a 30,000 dollar budget enhancement was brought forward with the intention of doing the Locust Grove sign at that time. But further discussions with the property owners and others shifted that off and as far as when is the appropriate time will largely depend upon when that property redevelops. We seem to be in conversations with the church at that location as they try to figure out what they are going to do with their property and when they make those decisions is the appropriate time to do that, working along with ACHD to make sure to put it in the appropriate location for the road and other improvements in the area. So, that's -- those are the -- that's where the funding originated. We started with 30,000 dollars. We came back to Council to get additional funding when we thought we were going to put it in the -- in the interchange, because that sign was going to be larger, have a different cost, so now we have the total of 45,000 dollars that we currently have the two signs, so we hope to have put up later this year. We are waiting for better bids to come out and we just got approval for the second

sign location with Winston Moore's group. So, that will likely be something that occurs before December would be my hope.

De Weerd: So, those are two signs that are currently underway and these other two are anticipated -- or this request is anticipated for what locations?

Hood: Madam Mayor, Members of the Council, in the enhancement request we look at I think six or seven potential locations. A lot of that will largely depend on the willingness of a property owner to grant us the easement necessary to construct it and we haven't had those conversations like we have with W.H. Moore. Until we -- we don't want to have those conversations until we can deliver something, but there are locations listed -- I believe the one at Overland and Meridian Road was listed on there. Ten Mile -- I believe Ten Mile and -- so, at the Ten Mile interchange, basically, both sides and, again, I'm going off of memory, not the enhancement, I don't have it in front of me, but we listed six or seven potential locations and that's -- if this stays in the budget I mean that certainly would come back to you and say which ones of these are the highest priority for you to place these, for one, if there is one in the budget, where do you want -- where do you want us to work with that on -- working with that property owner on granting us an easement to construct.

De Weerd: Okay. So, that was more my question. Is -- are there discussions underway? Are there -- to work the plan and if the two are -- can't be completed in this budget year and we've apparently forwarded that -- or transferred that money into the next budget year, then, we have two sign projects already moving forward that -- that is taking your time and attention. So, this probably does make sense at this point to take off. Okay. Everyone good with that? Okay. Todd, did you have a comment?

Lavoie: Well, Madam Mayor, I was just referring to what you were discussing about -- earlier about how to move forward with requests to discuss the expenses before the revenue -- finalize expenses before the revenues. I think it would be beneficial to us to vote on any items that you wish to discuss. In this case, this particular item, if you can conduct a vote. And I'm more than happy to facilitate the vote, just simple yeses and no's, we can tabulate it and, then, whatever the answer is we can, you know, give you the answers. But again --

De Weerd: Yes is to remove this one.

Lavoie: This one is clear, yes. But going forward, if we have any other items, if we can tabulate -- or do a vote on those that would help us. That way we can satisfy the request to discuss the expenses to see where we sit at the end of the day. Thank you.

De Weerd: Okay. The next one is item number four, citizen access to government facilitator. Does Council need additional information on this? I

heard from Councilman Bird that there was a question on that. Or I guess my list is different than what we see on the screen. You can go to the priority of government project facilitator first. That's the 75,000 dollar enhancement request. There is an update on this and I'm going to turn this over to Jaycee Holman to give you an overview of the field trip they went on to further flush out this request and what it means to the city and she's got an update for you on that.

Holman: Okay. Madam Mayor, Members of the Council, when we last met at the first budget workshop I let you know that we were going to be coming back with more information on this, because we were getting ready to head out on a road trip to gather some information from various locations throughout the state of Washington who actually -- at the state level and at the local level went through priorities of government, priority based budgeting -- sometimes those terms are used interchangeably. So, I went on a trip, four days in a car with Tom Barry, Todd Lavoie, Robert Simison and Mark Niemeyer.

De Weerd: I'm sorry. Oh, my gosh.

Holman: Yeah. I survived.

De Weerd: Above and beyond; right?

Holman: Survived. I have got the T-shirt. Anyhow, Tom Barry and his team I think put together -- deserve Kudos for putting together a great diverse spectrum of locations and different forms of government that have gone through this that we got to meet with. We got access to some of the top people in these organizations and we were really able to have extremely candid conversations with them about how they went through the process, how it went, recommendations for us and, then, basically what we figured out if there is a whole lot of different ways to do it. So, we met from cities to state level to policy people in Washington and got a really, really good overview of it. So, this kind of our road trip here that we took. We started out on Monday, got back Thursday evening just in time for the city picnic. These are the six locations that we went to. The first one was the city of Vancouver. The second one we -- this is at the state level. This was -- and we met a gentleman by the name of Marty -- I think Marty Brown. He's the executive director of the Washington state board for community and technical colleges. But in his prior life -- I can't remember which governor he worked for, but he was the head budget -- I think in policy guy for them. So, he had a lot of insight into how they went through this process at the state level. But third location we met with the office of financial management at the state level. We had a senior budget analyst -- or senior budget assistant to the governor and I met with them. Then we met with the City of Redmond, the city of Bellevue, and I ended up on Thursday morning with a gentleman by the name of Jason Mercier and he is -- works for the Washington Policy Center, which is a center for government reform. Now, I added this picture just to make fun of Robert. This is proof that not only does he not do casual Friday, he

doesn't do casual any day. So, the reason that this is a put forward in this budget cycle as an enhancement is because we have a strategic goal, which is to enhance transparency, and there is two objectives, Objective 3-E-2, which is to conduct a priorities in government exercise and Objective 3-E-4, which is to institute a priority based budgeting system, which is our end goal with this. This is a top priority and this is phase one to get us headed down that path to priority based budgeting and just a quick -- I'm just going to read you the definition of priority based budgeting and where we were hoping to get. So, priority based budgeting says that resources should be allocated according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community. In this approach the government identifies its most important strategic priorities and, then, through a collaborative evidence based process ranks programs or services according to how well they aligned with the priorities. The government, then, allocates funding in accordance with the ranking. So, priority in government in a nutshell. We think that the way to go about it -- and the advice that we got on our road trip is to start with having a performance management program, then, you go through the public input process and, eventually, align those priorities to your budget and get to a priority party based budgeting approach. So, in the first part of the process what you're -- what we need to do is take an inventory of all of our programs, activities, in each department. We come through, we have this inventory and we ask the questions what do we do, why do we do it, is this the role of government, are we duplicating a service that someone already does and is this a program that has a shelf life. Did we start it six years ago and it made sense and it was great at the time and it accomplished what we were -- the goals we were trying to achieve and now it doesn't need to be done anymore. That's what we need some help with and what we would like to hire a consultant for. It's a -- that's a huge project. That's what we heard from everybody -- everybody that we went on this road trip and talked to said this is a big project, you must have buy-in from mayor and all of the council members to head down the road to get to priority based budgeting and it starts here. So, basically, ranking all of our -- our activities, our programs and putting a cost to it. What does it cost us to run that program and not just how much revenue does it bring in and how much -- but, for example -- an example I'd like to give is let's say our passport program. Right now I can tell you that we -- 25 dollars a passport is what we get per application and I have a fully funded position that is dedicated to passports and so I know, basically, her fully loaded costs. But is that all of the true cost? No. I mean if you go through and -- and were to just take that one program, what does the computer cost? What does the postage cost? What does the person cost? How many hours is everybody else answering telephone calls? How many do we have to do per year to cover the cost of this program and should we be doing it? So, basically, going through what we want to do is hire a consultant to go through and inventory all these programs, figure out what they cost and, then, help us -- the next phase would be to develop key performance indicators that go with each of these activities and programs. So, for example, you know, I send these quarterly dashboards out and working on the next quarter to send out to you here in the next couple of

weeks and it's great, it gives you information -- you know, we have -- we collect the data, we report the data, but what we are missing is that key performance indicator. Am I performing to any standard? Am I meeting any goals? Am I doing what I should be achieving the standards I guess of what this program is. Am I doing enough passports? So, anyhow, after we get through that -- that's phase one of getting towards a priority base budgeting system. Phase two would be seeking public input. Also through our road trip we found out, man, there is a whole lot of different ways to do it. Different ways that all of these entities engage their public and that's something we would get to define. How do we want to -- do we want to do town halls? Do we want to do surveys? Do we want to do -- we can design that as we go and it would be really great to design that together. And I will leave you with the very last slide. Sorry I skipped a few. Oh, here -- sorry, I have missed a slide here. It didn't print out. This is an example of Washington state did something called Washington and this is after they went through their priorities in government exercise. They listed all their activities and programs and they came up with these different performance indicators that -- key performance indicators. So, they have a website you can go to and look at -- they are constantly gathering their data or reporting their data, putting it here and this is how. And, then, tie those key performance indicators to all of our budget items. So, Jason Mercier was the one who we met with last and he's with the Washington Policy Center and he does a blog post and so I went out -- he had e-mailed us and said that he blogged about us on the day that we met with us. Anyhow -- and that was his ideas and what he blogged about what he told us is the natural next step in our budgeting process is to identify measurable performance outcomes for those programs funded in the budget. You can read the rest of his comments. You're searching for excellence. So, again, what we are asking for is money for a consultant to come in and help us inventory -- put a cost to all of our programs and activities in the city and get us on that first phase towards what is a top priority in our strategic plan, which is priority based budgeting. With that I've got all my other team members here and I don't know if I've left anything out of anybody who went on this trip or if they would like to add anything and with that I will stand for any questions.

Milam: Madam Mayor? Sorry. I'm jumping the gun.

De Weerd: Mrs. Milam.

Milam: Sorry. So, this is a one-time expense.

Holman: I believe so. At this point we think we could do it for -- this is a guess. At this point we don't know total what that would cost. This is what we came up with where we believe -- what we believe this would cost and, yes, this is a one-time expense for this phase of getting to priority based budgeting.

Milam: Well, the question I guess is after that, then, what? Do we -- is there -- do we need somebody to administer it? Is this something that our internal auditor could be -- take care of, you know?

Holman: Thank you. I have lots of ideas. I think in order to have a performance management system -- performance management program is where we need to go. I would love to have part of this auditor position or whatever it ends up being, I would love that position to be a performance analyst. I'm not sure where they would be located. That would not be probably for me to determine. But I would love to have a performance analyst that once this consultant gets us through inventorying all of these programs, putting the cost to it, helping develop these key performance indicators and, then, they are a person who is managing -- I kind of showed you that example of what Washington state had on their website. We would need -- I think we would need a full-time person to do that and the person who has got the hammer making sure that, you know, we are gathering the data, we have people that are doing what they are supposed to do to give us all of that information. Be able to provide it to you. Tighten the budget. Everything. So, yeah, I would love that, but --

Milam: Madam Mayor, follow up? So, when you have these conversations with other cities and -- do they have somebody full time dedicated to just this? Because I'm not saying that this is all -- we have an internal auditor and it seems like this goes hand in hand -- this would be something that that person would be able to take care of, but not their sole job. So, do you think this is a full-time job just to monitor this or that it could be done by somebody who has other duties as well?

Holman: I don't know. Until we go through the process and see what the volume of work is -- I don't know. There is a -- we go through -- I mean some of the ideas that I have, which if I'm speaking out of turn my teams can, I'm sure, speak up, because we all have, you know, different ideas and takes on this. Once you gather all of that data, for example, we went to -- the first place we went was the city of Vancouver and they had just hired a full-time performance analyst, the gentleman who oversees all of that, works with the department, is working through developing the cost to these programs and key performance indicators and reporting. Yes, full-time job for that guy. He is -- that's what he's doing. I thing he had been there a year and a half at that point and had gotten through three or four departments and was working his way through that and, then, you talk about the state level, well, that's a whole different ballgame there. I mean the state of Washington has so many programs that they do. So, yeah, all of these places had different -- they had performance analysts or they had budget analysts or they had -- yes. And it was a full-time job for everyone. It's a lot of work.

Milam: Thank you.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Jaycee, in these organizations that you visited do they articulate what their total cost was to implement these types of programs?

Holman: Yeah. They all -- what's really difficult is it's different to every location. So, some of them -- on the state level I don't know. I don't have my notes with me right now and I know that I do have some of those numbers there, if anybody else on the team can remember that -- I don't know if you do, Mark.

Niemeyer: Madam Mayor, Members of the Council, when we went up to Washington state they actually brought in the guy that wrote the book on this and I believe their total cost -- I mean correct me if I'm wrong -- 300,000 dollars? Roughly. That's good. I was going to say a million, so I was way over. But the costs varied. The two cities, Redmond and Bellevue, I believe they did it internally with some consultant help. So, the cost does vary. I will caution -- I think Jacey did a great job of presenting this and the guy that was probably least excited to go on this trip, I think it was invaluable what we learned. But the caution I would have is -- and to reiterate, it's a lot of work. It takes a lot of time and dedication and it needs to be something that if we go down this road Council and the Mayor need to be on the same page with need to drive, because of the resource commitment to it. But I would agree. And I think that's where we all agreed. There is benefit to doing this.

Holman: And I would add that some of the things that we saw in a couple of the cities were -- this process was initiated because they were in a time of crisis. So, really, they -- they started out just trying to figure out what to cut and slash. In the end when we got to speaking with Jason Mercier with the Washington Policy Center, one of his quotes that I actually wrote in my notes -- he said you are in the perfect position to do this, because you're not under -- you're not under that pressure and that time line that, oh, we got to get it done in a couple of months, because we have got to get it through this next budget cycle and figure out what we have got to cut, this you can do a full analysis and put together an excellent performance management program and so I think we are positioned perfectly to start this now and get to priority based budgeting and I don't know -- I know, Todd, you have talked about priority based budgeting for a long time and if you have anything to add about that, that's --

Lavoie: Madam Mayor, Members of the Council, thank you, Jaycee. Priority based budgeting -- I guess learning it objectively had -- was supportive of what the Mayor and I have been talking about for two to three years. We have had this on our radar for a couple of years. We have brought it up in previous budget discussions. The Mayor and I have discussed this and it really does come down to what Mark and Jaycee have said, it comes down to resources. One of the

primary reasons we were not able to get it done in Finance is because we have a limit amount of resources. We have a department of one for budget. Again, this consultant would definitely help build the framework that we could move forward with and what Genesis mentioned, you could possibly use the auditor position to help fulfill that resource need. So, again, we are in complete support of it. We -- we believe there is a lot of benefits to the priority based budgeting. It not only tells you, the Council, what we have and what we do and why we do it, it also gets the transparency to the citizens of what we do, why we do it, and how we do it. So, again, Finance is in support of this with the Mayor for the last two or three years. I think it will be a great tool for us as a city to emphasize and to utilize, especially in a great time like Jason Mercier stated, this is the best time to do it, rather than a crisis.

De Weerd: And it really allows us better policy discussions to have a -- a broader understanding of what program costs are that builds in the replacements, the maintenance, and -- and it compares that to outcomes and how we are delivering those outcomes with those resources. So, you can start seeing what our community priorities, Council priorities, business necessary and what the various costs are, which will allow better decision-making and seeing if there is a -- a time frame that it exceeded -- or the shelf life has expired on a program and it's not performing as anticipated and, then, the discussion is do we continue to fund that program. So, that is the ultimate in what -- this is the first piece to get us to that.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Maybe a question for Jaycee or any of the members that were on the roadshow. I have always been cheerleader for our staff and I think that we have got the best employees in the state. Are there elements of this now with our current staff that we could form a team to be working on elements of this -- not a fully, you know, built-out program, but recognizing that this -- there is a sliding with this, especially related to the cost and I am fascinated with priority based budgeting, but I'm wondering if bringing in a consultant is the right decision now versus utilizing some of our already really talented staff to take that initial first step.

Holman: Madam Mayor, Members of the Council, Council Member Cavener, we were heavily advised against that throughout our road trip. That's what they said, the best -- they advised us get a consultant, go about it that way, having someone from the outside to facilitate the process. They are looking at it from outside of an each department perspective. So, that's -- could we do it? A little bit. But everything we heard -- because we haven't gone through it and I can't tell you how much work it's going to take, but I can tell you that the six different organizations we talked to said it's a lot of work. It's worth it, but it's a lot of work.

So, I think the first step of going through and analyzing all of these programs and activities, just articulating everything that we do and putting a cost to that and, then, the key performance indicators to that would be huge. I don't know how long that would take with internal staff. I know that Mr. Barry has an employee who is working on something like this for his department. He may be able to speak to that a little bit better, but it's been a lot of time for -- I believe David Miles has been working on this -- for just some of these on performance management statistics for their department.

Cavener: Great.

De Weerd: Any other questions? Okay. Thank you.

Holman: Thank you.

Cavener: So, Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Mr. President. I don't know if this is the right time for this conversation and so if it isn't stop me. I appreciate the work that our directors have done to bring us this information. I love the fact that this isn't a project that was thought up on Monday and presented to us on Friday. There has been multiple years of reviewing and researching this. I still think it's somewhat premature for us to be bringing in a consultant, especially in light of where we don't quite know where we are with the auditor position. You know what I heard a lot of is that the project takes a lot of time. It potentially costs a lot of money. And there is still a lot of questions that we don't know the answers to and I think to Mrs. Holman's point, we want to make sure we do this right the first time and so rather than -- than rushing to get this program created and funded in the next fiscal year, I'd suggest holding off for an additional year until we have our auditor position flushed out.

De Weerd: When we moved down the road for a strategic plan for the city, this was listed as a high priority and in building greater accountability and transparency and important steps into determining cost of programs and building transparency and accountability to our citizens, this is an integral and critical first step in implementing the strategic plan and tying that strategic plan to performance indicators to know that where we are spending our resources and how we are performing to our strategic plan, that we are moving the dial and we are serious to that strategic plan and delivering those -- those objectives or -- and -- and implementing it into our culture and our operations and what the outcome I'm most excited about is the -- the measurements. We need to -- if you can't measure something you can't manage it and this is going to be an important piece to that strategic plan. It's an important piece to the budget process and how we are spending our resources and it's a real important step into really cataloging what programs we do and why they are important to this Council and

to our community. So, again, it's the critical first step to the strategic plan and I think we really highlighted it when we brought the strategic plan in front of Council as -- if we are serious about moving the dial, raising our efforts to more focused and measured actions. This is -- this is the critical step in moving this forward and we can move it one year down the line, but I think that just moves us one year further behind in delivering the levels of service that we told our citizens that we were moving towards and that accountability and transparency piece is critical, in my opinion. It will be a tool that our -- our citizens will gain great value and it's -- it's a critical step, so -- and, ultimately, I think as you identify the -- the activities in each of our departments, you will have a better eye and accountability to the budget that -- that is presented to you each year as well.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Councilman Cavener brings up a good point. Is the solution that if this were to be included in the budget, the sequence of events very well might be that the auditor or the performance management analyst position is defined and perhaps filled prior to engaging. So, this might -- if it were to be included, perhaps it is initiated in the winter after that position is filled. So, they are done in the right order.

Holman: Madam Mayor, Members of the Council, Council Member Borton, yeah, it would be great -- if we were to hire a consultant to come on board and help us do this process and we ultimately had a performance analyst who is going to manage this program to have them working alongside each other and going through and developing all of that together would be ideal.

De Weerd: That is the ideal order of --

Borton: Yeah. It's -- Councilman Cavener's concern I think hit it right on the head and we kind of do have to it in the right order.

Cavener: Madam Mayor?

De Weerd: Yeah, but I -- I think it can be done in the same year. I -- you know, it -- it almost has to be in tandem to help guide. Yes, Mr. Cavener.

Cavener: Madam Mayor, Mr. President, Councilman Borton, I think that the discussion, though, needs to be had if we would even be moving forward with that position. So, I guess my thoughts it would be prudent to -- to fund a consultant for a program that potentially we might not have a position available to manage. Again, I think that many of us that are up here are supportive of priority based budgeting, it's just a matter of the right time and to the Mayor and the director's credit, they have -- they have continued to research this and looking for

what they think is -- is the right time and now is the opportunity for Council to -- to learn more about this, to have a position available and to look to the future for when that right time may -- may actually be. I -- I guess I would just add that if -- irregardless of the position, this is an important piece to moving forward on our strategic plan and working -- our departments working with a consultant in developing those KPIs. I think that the measurement tool is extremely important and also the evaluation of where we are putting resources in each of our departmental efforts and evaluating those, irregardless of a position. Ideally if there is a performance analyst it would be important for that person to work as this rolls out, but if the -- the decision from Council is not to move forward with that position, this is needed.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, my informal vote would be in line with Councilman Cavener to bring this up again next year.

De Weerd: Okay. So, I guess on this suggested by our Finance director, then, we will have a vote on -- this is stay in or -- or is it removed. So --

Milam: Madam Mayor -- sorry. Can I throw something else in and I want to be devil's advocate for a minute on this. But I love the idea and I think that it is very important. However, if we are going to have to hire somebody full time going on just to manage just this program, we have to decide is it worth 100,000 dollars a year to manage programs and pull -- oh, well, this -- we are spending 15,000 dollars on this and it's not very important, so let's pull it out, but now it's costing us 100,000 dollars a year and which is why I would love to see an internal auditor position take that over. In light of that, we need to hire that person first and have that person be here a while and get -- you know, used to some other duties that would go on and, then, work with the program and see if that can be done. And that being said, the fiscal year goes all the way through next October. So, by approving this it doesn't mean that this has to be done this fall and that we have to hire somebody by October 1st. So, we have agreed that we will be, hopefully, ready to do that process and so if we hired somebody this fall this potentially could all be happening next summer. So, we have a long -- fiscal year '17 is a long ways away.

De Weerd: And I guess -- I don't know how this activity got tied to the need for a full-time employee. But this activity helps in delivering the strategic plan and starting to walk each of the departments through their programming, assigning what those costs are, helping the departments develop KPIs and the monitoring of performance can -- can be discussed at -- at some point, but I -- I was not on the road trip, but I don't think that this has to have a full-time person to implement a program. First it's important to identify what -- what resources, whether it's

budget or -- or people resources -- money or people are going into programs and starting to develop program costs and working with the departments, that facilitator. Certainly the accountability piece is -- is the next thing in line and holding a single point of contact to what those deliverable expectations are, but there is a lot going into it before you get to that point.

Milam: Madam Mayor, may I respond to that?

De Weerd: Mrs. Milam.

Milam: So, Jaycee says that it would --- it is a full-time job to monitor this, based on the research that she did and what I don't want to do is waste funds on something that we are not going to be willing to fund a position to monitor it and in which case -- so, I am in support of this program. Don't get me wrong. But that's -- that's where my concern lies is the monitoring of it.

Niemeyer: Madam Mayor? Madam Mayor?

De Weerd: It's like where is that coming from. Mr. Niemeyer.

Niemeyer: If I could add one -- one piece from the team that went -- in listening to the discussion I believe Jaycee is correct and I know Tom just sent me a text. Tying -- tying the position, whatever you call it, auditor, performance analyst, whatever it is, tying that position to the consultant would come into help -- help us walk through this process of looking at programs and activities and putting costs to those programs and, then, also establishing benchmarks to those program, it's very important to tie those two together and they do go hand in hand. I believe that hiring the position first to start driving that and bringing in the consultant to work with that individual is very important. This is not a two month, three month process. Going through this is a 12 to 18 month process, because this is not the way we have budgeted in the past. We haven't looked at articulating cost of programs and, then, benchmarking the program. So, it's performance-based budgeting. It's not a quick overnight and, then, two seconds we are done, this is really a cultural change in what we are doing. So, before you vote I just wanted to throw that in from the team's perspective moving forward, again, reiterating, it is hard work, it is staff time, and to Council Woman Milam's point, could this position manage performance and also somewhat manage the strategic plan and a couple of other duties that you all have a priority on, yes, I think when we talk about additional duties that the concern from a director's standpoint is always job creep. So, do those duties all of a sudden become so extensive and long that you're no longer focused on anything. I'm saving my caution there. But I wanted to put that out there on behalf of the team before you vote on the issue.

De Weerd: Okay. I would, then, say on this item those that support removing it indicate by saying -- or aye.

Palmer: Aye.

Cavener: Aye.

Bird: Aye.

De Weerd: And those that would like to see it remain in the budget also indicate by saying aye.

Milam: Aye.

Little Roberts: Aye.

Borton: Aye.

Bird: We tied.

De Weerd: Well, we will come back to this item. We will keep it in for now and revisit it at the end. Okay? I believe the next question was on the -- facilitator for Citizen Access to Government and were there questions on that?

Borton: Madam Mayor?

De Weerd: Mr. Borton. That was one on the -- on the list of -- we were excluding at the time and I don't know if it needs a whole lot of discussion. It didn't seem to rise to the level of the discussion we just had and the Priorities of Government project facilitator includes public involvement in education plan. Within the scope of that it seemed to be just spreading the focus a little thin, that it might be something worth deferring.

De Weerd: And I think that when this was presented it was stated that, you know, it could be -- Robert, I think you probably want to just make a quick comment. If we ever get to Other Government, then, we are going to call a break.

Simison: Thank you, Madam Mayor, Council. When I put this together, if you guys recall, Council elevated this item and these plans to a high priority. At the time of discussion it was felt that, yes, an outside review was warranted, much like the conversations that you have heard, you know, from IT and others. Can we do this by ourselves? You bet. When I get to it I will get to it. It's been sitting on my desk now for two months and I haven't moved on it since last time I presented the information to you. But if you want to have that outside review that's what these funds are for. Will it take 25,000 dollars? I don't know. It could take 3,000 dollars. It could take 5,000 dollars. I can't put a budget amount to it at this point in time. This was a placeholder. So, it really is -- since you guys have all this still high priority whether you feel that outside review is warranted or

not, and if you don't we will remove that one item from the objective and we won't do an outside review and we will do it internal and we will complete it as soon as we can. With that I will stand for any questions if you have anything further.

De Weerd: Thank you, Robert.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Just a comment then. Thanks for the perspective, Robert. I think we as a Council do find it to be important and valuable. It's a challenge when we don't have an articulated cost and I also recommend -- recognize that, again, we are all about the chicken and the egg today and -- and asking staff to come back with recommendations based on the feedback that we provide without giving them clear direction if they are not able to bring us an exact price and so, therefore, maybe we shouldn't be doing this. In light of our discussion about what are things that are critical needs, out of respect for the Mayor and the directors for bringing us a zero percent increased budget, I'm of the mind of giving it this year that we remove this item. I'm happy to vote now if you want to. Unless you think people want a break.

De Weerd: No, I would say let's vote on this because as you heard from Robert, it's on there because it was a stated priority from Council. So, those in favor of keeping this on, please, state by saying aye. Okay. It's removed. That was quick. And I guess -- I'm going to take a break. Ten minutes.

(Recess.)

De Weerd: Okay. I will go ahead and -- wonder where our Finance director is.

Borton: Madam Mayor? Could I ask a quick question?

De Weerd: Mr. Borton.

Borton: Ralph? Can you hear me? Okay. Is that better? Okay.

De Weerd: I guess a good reminder of speaking into your microphone.

Borton: Yeah. I'm too quiet.

De Weerd: And someday we are going to have the ones that will light up when they are turned on, so I know whether to correct or you not before Dean does and since Dean is not here just eat the mike.

Borton: Will do.

De Weerd: Okay. And thanks for bringing that to their attention, Ralph. We appreciate you being here. Okay. Any other questions under Other Government?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: There was -- inside Other Government there is the expenditure for transportation services of 180,000 that includes -- in the back of the binder it references what that's comprised of and it's our -- the bus service, a portion of which I think includes the Saturday service for 60,000 and I failed to recognize this earlier, but I thought I would ask, if that Saturday service is gone, does the --

De Weerd: Just to answer that, since I don't see Caleb here, the Saturday service -- Council had the discussion to -- to bring that to a work group that has been working with VRT on how they can deliver service to our seniors and disabled community. I think that there is an update that probably we need to have VRT come and give. Robert, do you have an idea if they are ready to bring a recommendation? I know Ken said they are very close. They worked with Church of the Harvest or Harvest Church to facilitate or administer the program unbound and it's also been brought into us the library in terms of -- oh. Instead of making it up I will -- I will turn this over to Caleb.

Hood: Madam Mayor, Members of the Council, Councilman Borton, and I heard your question. I don't know what other dialogue has gone on, but let me bring you up to speed a little bit on the money that's in the FY-16 budget and, then, moving forward into '17 as well. Next Tuesday on your agenda Todd Morris with Valley Regional Transit will be before you and will present what they are calling a lifestyle service option for Meridian. It is geared towards seniors and persons with disabilities. It -- I don't want to go into the whole service, but, basically, breaks Meridian up into two service areas or vans -- there is community partners involved. What they are going to propose to you is to take the money for the Saturday fun bus that's in this year's budget and use that for start-up costs, marketing to do the match to purchase the two vans, buy some other ancillary equipment for the route line, a computer, laptop that type of a thing, so that they can be up and running by October 1. So, that money will be used -- not all of it. They will come to you with a budget with a placeholder. At the time we weren't quite sure what the service was going to be in FY-17 and going forward. It is substantially less this first year, because there is a pretty substantial federal match. Moving forward it will be more in line with what's proposed in FY-17, but -
-

Borton: Okay.

Hood: -- hopefully that kind of helps. But that is just next Tuesday, the 26th, for you to hear that, so --

Borton: Perfect.

De Weerd: And we apologize. This -- this was a discussion item last year and it was to not fund the fun bus and to, then, begin this time last year and it was to not fund the fun bus and to, then, begin this exercise in looking at how we can build a better service for our seniors and our disabled. So, it's taken a process. They have been very careful in working with a citizen group a stakeholder group and I -- they have been in front of Council a couple of times to -- to give an update and since they were last here they have found the community partners to help in delivering the program itself and so that's what they will be coming back with to discuss.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, it's no secret that I'm not a big fan of VRT and I -- rather than rediverting the funds from the failure that was the fun bus, I'd rather see us just not spend that money.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Mr. Palmer, I heard you time and time again talk about how you think it's important that we provide transportation options to our seniors and our -- and our neediest of all citizens and here we think we have got a -- a proposal that meets the things that you have said are important related to public transportation, so I'm -- I'm surprised to hear that you are now against the program that I have heard you speak in favor of so many times in taking care of those needy folks.

Palmer: Madam Mayor?

De Weerd: I feel like I'm in between something. Mr. Palmer.

Palmer: Madam Mayor, that's the role of chairman. So, thank you for being there for us. Yeah. And if we could draw up funding of any other type of program I'm happy to do whatever I can for those that are in that needful position, but I don't want anyone else's transportation.

De Weerd: Okay. I will say this has been a huge community need for our seniors that have expressed it in a number of town halls, in our citizen surveys,

and our senior advisory -- the Mayor's Senior Advisory Board. This -- this has been a number one concern in terms of mobility and options for those that cannot drive and I would add after being in a car with my grandfather -- should not drive.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: And while surveys and all are great, I think if we based our budget simply on people's wish list from Santa Claus, that there would be no need for Council, but I feel like we have been elected to take a look at what the surveys have said and, then, make responsible decisions for the finances everyone else has trusted us with.

De Weerd: I appreciate your expression of your opinion. Ms. Milam.

Milam: I'm for the program, but as Caleb said, this -- they are not -- this year is substantially less, because of federal grants, so should we at least change the number to the correct number? Do we know what that is?

Hood: Madam Mayor, Members of the Council, Council Woman Milam, I can look that up. Todd Morris was at the Meridian Transportation Commission meeting just on Monday and had a -- a breakdown of what that was. Just off of memory I'm thinking it was in the 17,000 dollar range, something like that. Again, the idea -- what they are going to propose to you on Tuesday is to use all of the 60,000 dollars that's in FY-16 to get it ready for '17, but that our portion next year is 16 or 17. So, if you will give me a minute it's saved on that computer right there, I can pull that up and show you what they are looking at -- well, for '17, '18 and '19, actually, but if you're so inclined I could get you an exact dollar amount of what they are going to ask for.

De Weerd: Oh, good. So, it won't be the entire 60,000. That's awesome. So, if you can do that we will go ahead and move on as he looks that up. Any other questions in that? Okay. So, any questions on streetlights? So, we will move out of admin and the next area is our Fire.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Either a question for you or Keith or for Todd. As we move into some of the outside admin enhancements there is a significant amount of unfunded enhancements in the next few that we are going to be discussing. I assume the goal is for us to be discussing the unfunded ones during this process as well and if some Council Member thinks they should be funded, that we discuss it during that time as well.

Bird: I would say so.

Cavener: Thanks.

De Weerd: What you see in front of you is -- is the -- the anticipated cost to the program that you will be hearing about next week for 2017. It's less than 20,000 and then -- am I reading that right?

Bird: Yes.

Hood: Madam Mayor, I misspoke earlier. So, it's actually just less than 20,000 dollars per service district and that's where I misread it -- or misinterpreted it for you. So, it's really closer to 39,118 is what they are looking at for that first -- that first year to operate that service. So, 40,000 dollars, instead of the 60 --

De Weerd: Oh.

Hood: -- would cover that service.

Cavener: Madam Mayor? Question real quick for Caleb. Sorry. As you're walking away. I -- I recall reading in a daily newspaper about a municipality to the west of us that through their budget process chose to remove some funds from VRT initially and the response was that because they had made a commitment to provide those funds initially it somewhat obligated them to make those funds available for future years. Can you maybe explain to us what type of obligation we have to -- to fund this year over year.

Hood: Sure. Madam Mayor, Members of the Council, Councilman Cavener, you aren't -- I mean it shows how you could potentially fund this over time. The proposal, though, is just going to be for FY-17 and test that out. Now, depending on how successful or not it is, you may have constituents that the expectation is there that you, then, fund it for '18, '19, '20 and into the future, but what VRT is -- is only -- you aren't having to bind future councils by your decision on Tuesday, it will just be a year-to-year agreement that we have between our two agencies. So, it isn't a multi-year commitment.

Cavener: Thank you.

De Weerd: Well -- and I think it's also -- just while you're standing there -- so, we are talking about the 60,000 that we had allocated as a placeholder in -- as this committee vetted the best system for seniors and that included Uber, by the way, in terms of cost of delivery. But there is that 60,000, but there is also a 30,000 that has been a long time commitment to the senior center in developing and delivering transportation. So, it's -- are we talking 90,000 dollars?

Hood: No, Madam Mayor. What will be explained to you on Tuesday in more detail is the -- the agreement with the senior center will, basically, cease if you approve this model.

De Weerd: And so our two place -- we already had a placeholder for 30,000 for the senior center transportation. We have the 60,000. So, if it's reduced to 40,000 and, then, we are adding 50,000 back into our base -- or back into our budget.

Hood: That is the idea for '17. If you will -- I mean, again, we are not committed to '17 or '18, but if you look into '18, '19 --

De Weerd: Then you get back up into that.

Hood: -- that match rate does go back up to that roughly 90,000 dollar --

De Weerd: Okay.

Hood: -- mark, so --

De Weerd: Just wanted to be clear. Okay. So, we moved into the Fire Department and I know the chief is available for any questions in that area and I do know that during our workshop in June there was a discussion about the overtime line item and what happens to it if the three firefighters were funded and if that would, then, be reduced. I think that question was still kind of out there and, Chief, you want to get some clarity to that?

Niemeyer: I can. Madam Mayor, Members of the Council, in the -- in the request -- in the enhancement request we spent a considerable amount of time with Todd and Finance looking at the overtime budget as it is today and what that would look like if we had the three firefighters. Again, that's a projection. It doesn't anticipate the long-term injury, early retirement, a vacancy that occurs in November if somebody takes a job elsewhere. The thought being if we did reduce it to the 268 that we are proposing from what it is at today, if that one off occurrence were to happen, we have an early retirement, we have somebody leave unexpectedly, I would come before you as Council, explain the unexpected vacancy and if we needed to ask for additional revenue at that point we could, based on something that was unexpected. The budget was built off of six years worth of data and analysis to say here is what we would project under normal working circumstances.

De Weerd: Okay. Council, any questions regarding the enhancements that are in the proposed budget or any of those that fall in the unfunded area? Mr. Palmer?

Palmer: Madam Mayor, just a quick question for the chief. Just looking at the shift captain -- shift training captain position, and it made the normal budgeting plan that -- because I'm kind of new to this process. On -- where it's itemized it mentions vehicle repair and vehicle maintenance. Why is it that that's something that's built into a position, as opposed to another way?

Niemeyer: It's -- Madam Mayor, Councilman Palmer, anytime we add a vehicle to a position, which this would have a dedicated vehicle, too, you always add in a certain amount for maintenance and also repair. Because throughout the year we have oil changes, we have tire rotations, we have all those things to keep our vehicles maintained. Repairs we tend to keep kind of lower on those staff vehicles, because, quite honestly, we don't have a ton of those repairs, they are usually primary to the engine, the truck, the brush rigs. But we do add that into the base so that we account for it and don't go over budget and have unexpected maintenance and repair costs and we will track that and trend it out so the dollar amount that we put in that budget request is based on the trend of what we have been.

Palmer: Okay. So, it's based on the additional use of a vehicle by the creation of a position?

Niemeyer: Correct.

Palmer: Okay. That makes sense. Thank you.

De Weerd: Okay. Any other questions?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Just on the unfunded enhancement list, I had talked to the chief, there were some of these relatively smaller, but important items that the -- the investigation equipment, the slide tray, the portable garage -- it seems certainly worthy of inclusion. It sounded like those might have been able to be accomplished with existing budgeted funds; is that correct?

Niemeyer: Councilman Borton, that is correct. We are looking to the FY-16 base budget to see what we can possibly do this year and, then, also in the FY-17 base and I have been working very closely with Finance, understanding lines may have to be pushed around just a little bit, but at the end of the budget year we are looking for the black number, which is our goal and so we believe that we could absorb those items within the '16 and '17 base.

Borton: Okay. Madam Mayor, just for what it's worth, the other unfunded enhancement from Fire -- I thought the fire station Wi-Fi seemed to be relatively

-- a relatively small number and I was, quite frankly, surprised we don't have that already provided and available. So, it was something that would be worthy of inclusion, that would be one with regards to Fire that I would support.

Milam: Madam Mayor?

De Weerd: Yes, Mrs. Milam.

Milam: Councilman Borton, I believe at the other -- the last budget hearing I asked that question and it was because they don't currently have the equipment that they are going to need that Wi-Fi for, is that --

Niemeyer: Madam Mayor, Council Woman Milam, one of the things I discussed at the June budget hearing -- there is a current need for Wi-Fi in the stations. However, as we move into what's called station alerting -- and it's a process in which when the dispatcher enters the address of the call, instead of waiting for them to finish that processing and, then, push the button and alert the stations, as soon as they enter that address in the issue, station alerting sends a signal to the station that comes through the Wi-Fi system into a digital reader board and, then, the bells go off and all that. That's not currently a capability we have. That's something that we are -- we are looking regionally at trying to secure a grant for it through FEMA. If we don't, I will be bringing that request next year for the stations. At that point we will need the Wi-Fi. That's very integral to that system. The departments around the country that are using that system have shaved anywhere from 32 to 45 seconds off that call processing time, which doesn't sound like a lot, but when you're talking about trying to achieve a six minute response time, that's a piece of that response and so if we can shave those seconds it's very well worth it. So, that was what I mentioned in June is that that piece of the equipment we don't yet have.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Mark, I get that the Wi-Fi is one piece of the puzzle. We hear from IT all the time about replacement schedules and making sure that we have got up-to-date equipment to meet our current needs --

De Weerd: You want to speak into your microphone.

Cavener: Sorry. Can you -- sorry, Ralph. Can you articulate to the Council why the Wi-Fi is the critical need for the reader board piece and why not just bring them both together when you're ready to move forward?

Niemeyer: Yeah. I believe that's somewhat what the message was in June is that we are trying to maintain a balanced budget, as far as my priorities in the

Fire Department go and what I have put forward, this would be a lower priority than some of the other things that are still in for consideration. Simply from the infrastructure of the Wi-Fi and prior to that will be needed working with IT. I know Dave and I have been working together on this for a couple years now. We will need to get the Wi-Fi in by -- it can be done in the same budget year. In other words, we get the Wi-Fi in in October and, then, we get the reader board and this other piece in in July or January, whatever that timeframe is, so they can be tied together in the same budget year. I take it what Dave Tiede was looking at is currently Fire is one of the only departments that doesn't have Wi-Fi in these satellite locations. So, from a consistency standpoint and maintaining that, it would certainly be of benefit, but I think next year when this station alerting comes forward those two will need to be tied together in the same request. One will happen before for the next.

Cavener: Okay.

De Weerd: Okay. Any other questions? Okay. We will move to Parks.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: I know that there had been some discussion -- Steve and I had a discussion related to the pathways connection and the cost associated with that and I was hoping maybe Steve could come up and articulate to Council the cost breakdown and -- and what those costs are being allocated for.

Siddoway: Absolutely. There was some confusion over whether we were spending 50,000 dollars to -- on design to -- for an 18,000 dollar construction project and that is not the case, so I want to make sure you -- those are two separate projects. So, the design funds that are shown there are intended for getting to a shovel ready project for pathway -- for a mile long segment from Ten Mile to Black Cat along Five Mile Creek, kind of in the neighborhood of the wastewater treatment plant and connecting the existing Five Mile Creek pathway segments over toward the Oaks project that starts from Black Cat and continues west from there. The small construction project is over near McMillan and Locust Grove on an ACHD storm drain facility that is an existing gap where there are existing pathways on either side and it would fill that gap. The other 12,000 is for citywide pathway signage to round out the -- the total of that enhancement.

Cavener: Madam Mayor?

De Weerd: Uh-huh.

Cavener: Follow up. Steve -- I realize I'm putting you on the spot, but do you have a -- an estimated cost for construction of that pathway that once the project was designed and ready to go, ballpark figure?

Siddoway: I don't off the top of my head.

Cavener: I recognize it's kind of a --

Siddoway: Do you remember what it cost, the -- the piece that was built in front of Bridgetower, that half mile?

Barton: So, Councilman Cavener, Members of Council, we did a -- a TAP grant through COMPASS for that section of pathway, so this 50,000 dollar request will get us shovel ready and the TAP grant was a 180,000 dollar request.

Cavener: Okay. Great.

Siddoway: Any other questions? Thank you.

De Weerd: Okay. Any other questions on the Parks, either funded or unfunded?

Siddoway: Madam Mayor?

De Weerd: Okay.

Siddoway: Maybe if -- I will just offer on the -- on the unfunded list, just to point out on the -- the Homecourt piece, we took the original Homecourt enhancement, we divided it. The part that we feel is critical is in the -- still in the enhancement. Of the -- the majority of the funds that are shown as unfunded, we would agree we do not need an FY-17 for tenant improvements in bay five until such time as the YMCA moves out. The part that we -- the piece that we would like to have considered, if you do look at the three percent, is a 85,000 dollars that -- that is for the Homecourt facility manager, the full-time position that is over the Homecourt. So, that -- that is the piece that we were including for discussion with any potential discussions of the -- the three percent. Also just found out that the -- the shade structure, which is currently unfunded, we have had discussions with some or all of you -- can't remember if it was at the last budget workshop or where, but when we were talking about Kleiner Park and the need for shade in the amphitheater, this is -- that's currently unfunded, so if we don't fund that we don't have any funds to look at a shade project for FY-17. We are still continuing to move forward with shade studies, determining what's needed. We can, then, look at -- we can either leave it unfunded, decide to fund it, or see what pieces we can pick off with, you know, are forestry budget or come back with an amendment if we -- after we have done a shade study to determine what can or should be done. Right now that's unfunded and just pointing that out. The

others, the office cubicle I think is the only other one on there we can do without this year, so --

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Steve, can you, then, articulate for us what your plan is for the Homecourt if that site supervisor position remains unfunded? I mean what's the business plan for that?

Siddoway: It puts a lot of pressure on the man right back there Garrett White. He would be trying to do double duty until such time as -- it would be our intent to -- to fund it in FY-18 if it's not funded in FY-17. What we did -- we originally had two full-time positions and five part-time positions for the Homecourt. What continued through was the evening site supervisor -- because there is no YMCA staff there in the evenings and we need to have an evening site supervisor there critically and the score keepers and things that we need to operate programs during that first year. During the second year after the YMCA moves out, we would have to have a daytime facility manager there full time in FY-18, so we have to fund it in FY-18. It would be better to fund in FY-17 if we can, because there is a lot of work besides just being there during the day that's -- the scheduling of the facility and taking all the reservations and things like that. Our plan to do it in the absence of that position is Garrett is going to pick up the slack for a year and do, you know, job and a half for a while.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: How about a part-time position that -- like, you know, a half-time position that turns into a full-time position in FY-18? Does that take some pressure off Garrett, but not cost quite so much?

Siddoway: I would probably need some -- I don't know that the model would work with the business plan. I see where you're going and I like the thought process to try and preserve that, but I am not sure -- I'm going to look back at Garrett, but I think probably we would make do if -- if we can't, just do it until such time as we can. Yeah.

De Weerd: Well -- and I know in our discussions you would not hire that person until you absolutely need them, but we always like to put the full cost in, so it may be only three months of next budget year, but we want to show full impact to our base.

Siddoway: Absolutely. Yes. Any other questions?

Milam: Madam Mayor? So -- and I realized after I asked that question that it would be really difficult to find somebody that could accept a part-time job that would turn into a full-time job, so --

Siddoway: Yeah.

Milam: -- I figured you train them -- so, when do you really think you will need that person and what is your --

Siddoway: Well, the work is already starting. As you might imagine people that are -- we take over ownership on October 1st and the groups that are reserving for this fall are already meeting with us and Garrett in particular, to -- to take that on. So, the work that's needed to schedule that facility is already happening. What's going to be added after October is the added workload of building maintenance and things that we are taking on that that position would oversee.

Milam: Thank you.

Siddoway: So, I guess my proposal would be to, please, consider funding it for FY-17. We have a back-up plan in place in case that doesn't happen.

Milam: Thank you.

Siddoway: All right. Thank you.

De Weerd: Any other questions or comments on Parks at this point?

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: So, are we coming back to these items at the end or do we need to vote on these now?

De Weerd: If you have a recommendation it's good to do it as we are in -- in the department. So, I guess now.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: I really believe that Parks has demonstrated a need for this position. My preference is that it would have been, you know, included and funded from the get go, but I recognize the -- the struggle was to bring it -- bring us the budget. I'm not -- it's hard -- it's hard to make the decision to include it now. I

feel that it's -- it's definitely worthy of discussion towards the end of our budget. I know we have already identified one item that we will review at the end of our day and I don't know what the rest of the will of the Council is. If the preference is, no, we need to vote on this today -- I recognize that creates a burden for our Finance staff that have asked us to do something and we are not necessarily doing it. My apologies. I think there is a need there. If -- if the Council wants to have a discussion about it now, regardless if it means we have to take more than a zero percent, I'm open to that as well. But my preference would be that we hold this off until the end.

Bird: I second that. I think it's necessary.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I also -- I believe that the shade structure in Kleiner -- they used at Kleiner Park -- it's so heavily used and there really needs to be some shade on that hill. I -- I would, like I said, include that in the budget. Don't know what anybody else thinks.

De Weerd: So, the -- the shade structure is 32,000 and the position that's being requested is not the 330,000, although I want that job.

Siddoway: No. If you -- if you look on your unfunded enhancement sheet, it's the 85,000 that's over in the three percent column. That would be the amount -- the total -- total fully loaded amount for that position.

De Weerd: Okay.

Bird: Steve, on -- Madam Mayor?

De Weerd: Yes, Mr. Bird.

Bird: On the shade structure, is that the one we have been talking about at the bandshell itself?

Siddoway: It's not right now. So, it -- well, it could be, but what we had talked about was the first priority would be getting shade in the seating area, which could be in the form of large trees in -- in rows, because everyone seems to gravitate towards the pockets of shade whenever they go out to the amphitheater and it looks like the people performing are performing to no one in the center and -- and all the audiences in these little pockets of shade off to the side and towards the back. Although, I would say that the -- looking at shade on the front of the bandshell is also a priority and needs to be looked at. Yes. I just don't

think this would be enough budget to do both I guess is what I'm saying. But we can study both --

De Weerd: One step at a time.

Siddoway: One step at a time. And we can bring you back the proposal and our investigations into shade for both the bandshell and the amphitheater itself.

De Weerd: So, this particular amount was for the first part of what's needed.

Siddoway: Correct.

De Weerd: Okay. So, if that would be what Council would like to discuss this at the end, that certainly works.

Milam: We are going to vote then?

De Weerd: You want to do it right now?

Bird: Madam Mayor?

De Weerd: Mr. Bird. My preference would be to do it right now and I would -- I would -- I would think that if we add the 117,000, we can always take it out at the end, but right now I would put it. It's 32 for the shade and 85 for the Homecourt. I think it -- Homecourt is definitely -- if we are taking it over in October it's definitely got to have a person out there. It can't be a part-time person that's running around doing other duties. I mean that's -- that's a big investment for the City of Meridian out there and we don't need to get it ran down right off the bat and it can get ran down fast. So, I would -- that 117,000, I would put it in there now and hope we don't have to take it out. That would be my preference.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: On discussion of shade, I think shade structures and signs kind of go together.

De Weerd: I'm going off the premise keep Meridian great. Sorry. I think that's a theme right now. So, we will do it on two separate things, instead of --

Bird: Yes.

De Weerd: -- lumped together. So, those that would like to see the 85,000 for the Homecourt employee indicate by saying aye. Those opposed say nay.

Okay. We will put that in. On the shade structure those in favor of adding that to the budget indicate by saying aye. Those opposed?

Bird: A tie.

De Weerd: Well, we have a tie and I will vote on the -- oh, my gosh. I will put that under continued discussion.

Cavener: Put it at the end.

Bird: We will discuss it later.

De Weerd: Okay. So, any further discussion on Parks at this point? Oh, good job. I have opportunities here, so exciting. Okay. Police Department. Just wait until we get to Public Works, you guys are in for it.

Bird: No. No. No.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, I just have a question. It's one I meant to get to. Sorry, chief, before today, but body worn camera license, can you tell me about that?

Lavey: Madam Mayor, Council, the body worn camera license is -- that we currently have -- you have a license that goes with every camera. That license is a license to use the software, plus it has storage cost built into it. The licenses that you see on the enhancement are for the detectives. The detectives do not have a camera issued to them, therefore, they cannot access the Cloud system or the case management system and so what you're seeing is a license that will allow them to access the body worn camera and incorporate it into the reports and do case management. So, the cost that you see is the associated cost to use that software.

Palmer: Madam Mayor, follow up.

De Weerd: Uh-huh.

Palmer: Thanks. I was just like wondering if they had to have some kind of government-issued license to operate a camera in public or something weird. So, that makes more sense. Thank you.

De Weerd: Well, I love your theory better.

Brid: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Chief, we -- you have asked for four patrol officers, but, then, under the unfunded we -- you have got two sergeants and corporals. Well, if we hire four more officers we surely have to add to our patrol sergeants and corporals, it makes sense to me, so we need to fund either one or two of them.

Lavey: Madam Mayor, Council, that's -- we will get into that right now then, because I was going to talk -- hopefully we will talk a little bit about the -- the unfundeds as well and so I would just give our -- our viewpoint of where we are at and, then, ultimately it's a Council decision. As you recall in our budget workshop a month and a half ago or so, I gave you a staff allocation study that indicated we needed nine more bodies to our force. But that nine bodies comes at a great expense and it also comes at a great amount of time to get that many people on board. We are currently hiring for some open positions, we are hiring for some retirements, and we will be establishing positions that are granted for October. There is so many positions that we can hire at one time, just because of the time it takes and so there is a good chance that it may take over 12 months for that to happen. But you are correct in that when -- what we are trying to do is establish two more patrol teams. A patrol team consists of a sergeant, consists of a corporal, and it consists of five officers and, then, a K-9 officer and those nine bodies would have provided both the sergeant, the corporal, patrol staff and it also included a school resource officer for the new middle school. I'd like to point out here that if you look at the unfunded balance you're going to see ten sergeant positions at roughly 309,000 dollars. If you approve the code enforcement supervisor position that's going to be a civilian position that's currently supervised by a sworn position, a sworn sergeant and so our plan is to put that sworn sergeant onto the -- onto the road and you are already -- we can't split it in half, because I believe there is a car and some other equipment included in there, but it would be considerably less than 309,000. So, obviously, if we were to approve everything on the unfunded right now we would need one sergeant, not two, or if we approve the supervisor position. Now, it's just a matter of timing in that we are going to need them. The one concern I have is that if we are going to build a fourth station next year we are going to need 12 bodies, if we forego these positions this year we are probably not going to have the funding to put those officers on next year if we don't have additional revenues coming in. So, those are just some things that we have to consider and why they are currently on the unfunded list, is that we need to have -- if we approve that one code enforcement position I can add that supervisor to the road and we can get by until we can hire those other positions.

Bird: Thank you.

De Weerd: Any other questions for the chief?

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: What is the feeling of the Council? Shall we discuss this -- this unfunded for the police or shall we wait on the deal? We have got the funded enhancement and the code enforcement supervisor in -- is in that, so if we are going to do that we take the unfunded down to about 160,000, let's say, from 309, if we are only needing one sergeant at that time and, then, the two -- the deals, I -- in lieu of what's been happening -- and by the way, Mayor, I appreciate the article you wrote. It was very, very well-written. I appreciated it very much. I -- I don't want to see us be understaffed and being understaffed also means having the right people in place. I believe that one of the reasons people come to this community and one of the reasons our crime rate is so low is because we have been proactive over the last ten, 12 years and -- while I know it's a lot of money, I think it's something that we need to really look at it hard and make sure that we don't understaff -- we don't have officers out there on an island by themselves at any one time. So, I would -- I would be in favor of adding one patrol sergeant and the two corporals into an enhancement, so that we can -- we can put those two more teams out on the field, because as the city is growing -- and it's growing -- I mean we are -- we are bringing in land every -- every week new land for them to patrol. Anybody else?

Cavener: Madam Mayor? Madam Mayor?

De Weerd: I'm sorry. Mr. Cavener.

Cavener: Councilman Bird, I -- I agree with you. Don't want our officers out on an island and I do believe we need to take a hard look at these three enhancements. My preference would be, though, is that these are -- these would be three enhancements that would make a lot of sense that we look at as -- after we have went through everything else.

Bird: I agree.

Cavener: To the chief's point, it's not a matter if but when and now would be preferred and perhaps these would be a sufficient reason to look at a property tax increase, but my preference would be that we wait until the end to make that decision.

Lavey: Madam Mayor, I would like to make one more comment. We will do everything that we can to be a team player and to be a part of -- of the city and be fiscally responsible and we do our best to make things work and so whatever is decided will be decided, but maybe I can put this in a little bit more perspective to help you today, is that it was mentioned by Todd at the very beginning of the morning of the Matt Damon event today and that is a special event that is taking

a considerable amount of resources upon our staff for the last five weeks and we are grateful that the Universal Studios in Orlando is -- is paying for the cost, but we got to have bodies to supply. It's taken 25 officers today for that event and we have six officers that are working the street. But that's not to say that the city is not taken care of, because we will know -- we do have resources that will take care of that, but that's just one event and that is something that our city is bringing in and they are talking about if this goes well today that they are going to do more or more of them. So, that's just something to put in perspective is that we have an absolute great city and people are coming here and I guess if the -- if you're go on the theme of Keep Meridian Great and if you want to go on a continued theme is we also have to keep Meridian safe and we need the bodies to do that.

De Weerd: Okay. Any further conversation on this? And we will put these also at the end. So, Todd -- if Finance -- or Jenny -- can put the -- the patrol sergeants -- remove one of those and give us a firm number on -- on one. I have put 155,000. Maybe you already did that, but if you can do that. Perfect. Okay. Any further discussion points on the police? Okay. Council, I will let you know that you do have lunch in the other room. If you want I can call at ten minute recess before we get to Public Works, you can grab a plate and for -- Todd, you have some other preferred idea?

Lavoie: Well, Madam Mayor, I was going to recommend that we close out the General Fund, so the General Fund is behind and we have moved on, so that the Council can focus on the next department, which would be Enterprise Fund or Community Development, so we can keep the focus on those divisions and those funding sources independent of each other.

De Weerd: Okay. So, where are we at?

Lavoie: Good question. Well, Madam Mayor, Members of the Council, we have been trying to keep track of the changes and requests and we have a few items that we would like to have clarification on. So, the first one is before we can continue to populate this -- the working spreadsheet for you guys, if we could bring back VRT, just to clarify that. As the Mayor stated, we have 60,000 dollars budget for the Saturday services and we also have 30,000 dollars budgeted for the senior center. Now, I just want to verify if I heard this correctly, that for '17 we would like to remove the 30 for senior and reduce the 60 down to thirty-nine one - - or 40,000.

De Weerd: And 50 cents.

Lavoie: Yes. I just need to verify that's what I heard. Again, the 60 we take down to 40 pretty quick, but the 30,000 senior center, I'm still kind of -- wasn't sure where the direction was on that from a budgetary standpoint. So, if I can get clarification that would be great.

De Weerd: You would remove that. You would -- so, the total you had, the 60,000 for the placeholder for -- was for an alternative -- I hate the fun bus name. I have always hated that name. But for that and, then, the 30,000 -- so, the program as I understand it that will be coming back will be to remove the -- the commitment for senior center transportation, because this would -- this would cover that and remove the 60,000 that was set aside as a placeholder for transportation and add the 40,000. So, you're reducing it by 50,000.

Lavoie: Madam Mayor, appreciate that. We can make those adjustments and get those into the overall General Fund presentation. Mr. Borton?

Borton: Yeah. Madam Mayor, I -- I might have heard it different and my preference -- I may be alone on it -- is, you know, as we go through this process we establish this budget, there is the final budget hearing where we can make additional reductions if necessary and until I hear that presentation next week and feel comfortable that the seniors are truly being accounted for properly and -- I would be inclined to -- for the purposes of today to leave it in, understanding that we might learn more next week that would, you know, support its removal at the final budget hearing, but I don't yet know what I don't know with regardless to that type of service. So, I would error on keeping it in knowing we can still take it out, because we can't go the other way.

De Weerd: Right.

Lavoie: Madam Mayor, Councilman Borton, you are correct, we could leave the dollars it is today and, then, on our public hearing we could present to the citizens with an updated budget, because you will have the answer by then and the direction to us we can reduce the budget by the 50,000 dollars of that's the direction you want to go as well. So, either option is available to you on how we want to establish the budget today.

Bird: Madam Mayor?

De Weerd: And you can always remove it into the reserve.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Councilman Borton, are you leaving both in, 90,000, 30 and 60, or just the 60?

Borton: Thirty. It's -- Madam Mayor, it's in their currently as 30 and 60.

Bird: Yes. And I guess there is no -- no harm in leaving it in as it is until we know more.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: Or knowing that the presentations are coming forward and if it's 40, we can leave the 30 to make sure that we are protected on that and, then, reduce the 60 to 40, because we're not doing a fun bus, we know that --

Cavener: Alternative bus. We can't call it --

De Weerd: Alternative.

Cavener: It's not fun now.

Milam: Okay.

Borton: Sixty goes to forty.

Lavoie: Madam Mayor, Councilman Milam, we could definitely do that. So, we will leave the 30 in, so we will reduce the 60 to 50 and, then, if we have further discussions between now and the public hearing, we can reduce it at that time as well.

De Weerd: Thank you.

Borton: That makes sense.

Lavoie: Thanks for that clarification. The second item we have is we had a tie on the shade structure. The Parks shade structure was voted on. We had a three-three tie and for direction and purposes of this discussion, we'd like clarification. Do we leave it in the budget for fiscal '17 -- or add it to fiscal '17 or leave it in the unfunded list?

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: In response to Councilman Palmer's comment, the big difference between monument signs and shade structures is that our citizens utilize the shade structures in a way that makes them more comfortable, makes them enjoy themselves and that park is used so much that when -- when a concert is going on there, it's incredibly hot and this would actually be utilized, as opposed to something that's just being -- you look at, to clarify that difference.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor. And in my response is that -- I'm trying to look at this how Dave Ramsey might look at it and so I'm looking at as are we willing to ask the citizens are you -- do you want this if it means increasing your taxes for it? Because what would be funding it would be from an increase in taxes and so if we are not willing to increase people's taxes to pay for a shade structure, we shouldn't do it.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I don't like to increase people's taxes, because I have to pay them, too, but the same token we have got a beautiful facility out there that we have spent little or no money on. It was given to us as a gift and I think that to make people comfortable -- and I don't know how many of those concerts you have attended. I have attended quite a few and my umbrella and my hat works fine for me if I can find a little tree out there, but I -- I think that the citizens deserve to get some shade structure out there, so that they can enjoy those concerts, which I think that we have and are able to have and I think it's a very small -- small investment on the part of the City of Meridian on such a nice facility.

Little Roberts: Madam Mayor?

De Weerd: Mrs. Little Roberts.

Little Roberts: I'm happy to change my vote to add it in, so it's for. The reason I did vote -- not really against it, just to leave it out at this point was I wanted to keep my emphasis on the position that we really, really need filled at Homecourt and I'm perfectly happy adding the shade structure in. I just want to reemphasize that the position at Homecourt is most critical.

De Weerd: Okay. Any other discussion on this item?

Borton: I change my vote to no just --

De Weerd: So, we have 4-2.

Lavoie: Madam Mayor, thank you again for getting that solved and we will add that to the budget accordingly. I have got two more items. Just wanted to verify that we heard correctly -- one police sergeant will be added from that budget enhancement in the unfunded list to the funded section and, then, one or two

police corporals from the unfunded section will be added to the funded summary sheet as well, so --

Bird: We better vote --

De Weerd: We didn't have a vote on that, but I would then -- since we do have -- can you go to the police. That would be the 155 for the sergeant --

Bird: The two hundred and --

De Weerd: And we will first --

Bird: -- two hundred and sixty-nine.

De Weerd: -- ask Council to indicate their support or adding that enhancement into the funded for the one patrol sergeant for 155,000. Those in favor say aye. Any opposed say nay. Okay. The second discussion enhance -- or discussion on enhancement or the two corporals -- patrol corporals --

Milam: Madam Mayor?

De Weerd: Yes.

Milam: I don't mean to interrupt you, but --

De Weerd: Mrs. Milam. Yes.

Milam: Chief, is that what you said that you want, those corporals this year as well? Because I -- what I heard you say was you may not even be able to fill the positions --

Lavey: Madam Mayor, Council, we are currently interviewing 41 people as we speak and we are going to be hiring the five openings and establishing lists for any potential hires that -- that are appropriate. I believe we are going to be able to do that if we have the funding to do that. So, looking ahead -- I don't have a crystal ball, but looking ahead of what I think the city is going to face, we probably should allocate those now than later. Otherwise, we might have to be pushing them two years out and that is not -- that is not good. If we continue to grow like we grow, that we anticipate, we are going to need even -- even more bodies, so we would already be two years behind. I would also like to clarify just to make sure is that we are talking about taking one -- or one sergeant position out. I believe that one sergeant position fully loaded is probably the 155. So, it's 309-minus 155 and whatever that sum is --

De Weerd: So, 155 is half of 309.

Bird: It's half of 310.

Lavey: But we have -- we have a car in there. We have equipment in there. We have other expenses, so it can't be divided by half. So, I just wanted to make sure Council is aware of that before you approve -- if you -- if you approve a 155 number, then, I can't hire anybody. And so you just need to be aware of that before we agree.

Lavoie: Madam Mayor, Chief Lavey, the final number after calculating is 183,000 and some change. To incorporate not only the wages, but all of the operating expenses that are needed with this one position. So, the 183 and some change, we will display that to you, but as a final final number to go with where Jeff was talking about.

De Weerd: Did anyone change their vote?

Bird: No.

Lavey: I just wanted to make sure that you were fully aware of what you are voting for.

De Weerd: Okay.

Lavey: The one car -- we actually -- we add one car for every three people and so that's where that one car is coming from. Three shifts. Eight hour shifts.

De Weerd: Okay. Any further discussion on the -- the corporal positions? Okay. Those in favor say aye. Those opposed say nay. Okay. So, that is added.

Lavoie: So, Madam Mayor, Members of the Council, I appreciate clarifying those particular items. Madam Mayor, you mention that lunch is here. This is --

De Weerd: The last item that was deferred to the end was the 75,000 for the priority base facilitator.

Milam: That's a tie.

De Weerd: If the tie is still there I would break the tie to be in favor of moving forward and, again, I would preface that that is provided that the other steps to get there are first put in place before those dollars would be expended. Okay.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Even though I was a no, I -- I agree with you. Leave it in. We can always take it out the 30th if we -- if things come up --

De Weerd: Well, here I thought I had broke a tie and now I get -- sheesh.

Bird: No. I -- I am going to be like Mr. Borton, I changed my vote.

De Weerd: I thought it was Mrs. Little Roberts.

Little Roberts: I'm going to change my vote.

Bird: No.

Milam: Okay. Break a tie.

De Weerd: So, keep it in.

Bird: Leave it in for now.

De Weerd: Last area of discussion under General Fund that would apply to all -- was there any discussion on the benefits? One of the -- the things that you did see is we felt that it was important to build the reserve for the self funding. Again, this was to -- to have the benefits committee work on developing that to bring it back to Council to take control of escalating costs in our benefits areas, so that we would have more control over that. So, any questions in -- in that regard?

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I'm just not sure that I agree that self funding is the way to go or that I have enough information to make that type of a decision. I mean I know they gave us a presentation, but it's still -- it's just kind of an out there thing to me to be -- for 400,000 dollars. It's great if we could get our costs down, but I don't know that we have seen proof that that's going to actually be our costs.

De Weerd: And, Ms. Milam, I appreciate that and I think at this point is regardless of when the benefits committee comes back and makes a recommendation, regardless of if they move towards self funding or staying with a provider, we do know they will -- there will be increased costs in the benefits program and so this is kind of giving us that -- that opportunity to bring you back choices and -- that will protect the benefits, as we move forward it gives you some -- a little bit of flexibility to make a decision on which direction you want to go.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Councilman Milam, I think you and I were in the same boat and after - after talking with -- with HR and to the Mayor's point, 450,000 dollars is a very large chunk of money and naturally it's -- we want to make sure it's being spent in the best place. I think by putting these funds away -- to the Mayor's point, will allow for future cost increases, but, furthermore, it -- we are in charge of our own destiny this way and I think that HR should be commended for being strategic and thinking long term with a recommendation of these funds. It -- either way we know there is going to be an increase cost to our health insurance and our benefits and having these funds set aside this year will soften that blow should it be dramatic next year. That's my opinion. So, I would support putting them away.

Barney: Madam Mayor, Members of the Council.

De Weerd: Yes, Christena.

Barney: I'm not a hundred percent sold on self funding either. We still -- we need the opportunity to vet that out. We are looking at some other options as well and a private exchange may be another option that we bring to the Council. So, I just want you to be aware that we are not sold on self funding and that's something we will bring back at a later date, but it is definitely something that we are looking at and having enough of those money -- those monies in reserve will help us further that and give us the opportunity to vet that out.

Milam: Thank you.

Barney: Uh-huh.

De Weerd: Thank you.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: The -- the figure I thought was 480 is -- at least the initial placeholder, is that now 401?

Barney: 450.

Borton: 450?

Barney: It's nine percent of --

Borton: So, the amount to be allocated though, that's 401,000? Just didn't know what the difference is.

Lavoie: Madam Mayor, Councilman Borton, currently the placeholder for the benefit reserve is 401, as depicted on your summary sheets. The value that Christena is referring to is the total total, but we didn't have enough within our balancing function, we only had 458 dollars left, so we put as much as we could towards that reserve.

De Weerd: So, the needed amount is 450. Is that -- well, you have 401, but we only had 401 to put in there. But if you were to adequately -- if you looked at the whole number it is 450.

Barney: The nine percent is 450.

De Weerd: I think it was just trying to be balanced. So, you can keep it at 400. I think you're good. Thank you. Okay. Any other discussion on the benefits? I wanted to make sure we got to that before we moved out of General Fund. Okay.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Mr. Borton: As we look at the screen that's up right now, until we scroll down and see the bad purple box, there would be 373 into the capital improvement fund.

Lavoie: Madam Mayor, Councilman Borton, we can definitely add that in there. We were going to bring that up for discussion to verify the reserves are where you want them to be established, but we can definitely do that now. We still have some data entry to do with the changes that have been recommended to us and so you can see the evil purple boxes as you told us, but right now we are not quite there yet. We still need to do a few more tweaks to the spreadsheet before we can give you a solid number at the bottom.

De Weerd: Okay. So, we can take a break to load your plates as they load their data. So, we will reconvene at noon. Does that work for all of you?

(Recess.)

De Weerd: Okay. I will go ahead and reconvene the Council budget workshop and turn this over to Todd, since he has a mouthful.

Lavoie: Thank you, Madam Mayor, Council. We have updated the spreadsheet to the best of our ability based on the information that we have. We are going to focus on the reserves and 30, 31, 32, 33. As you can see, we have populated

these numbers accordingly. We are at 373 for the capital improvement, 401 for the benefits, 373 for the replacement and the public safety as well. And with those in place and all the changes that we have applied to the budget, the bottom line as we stand right now without three percent -- again, we are still doing this at a zero percent taxable allocation -- or calculation plus the three percent for the merits. You can see we are currently residing at a 1.6 million dollar deficit. So, we have some balancing to do. So, as Councilman Borton brought up earlier, we can utilize the tax calculation -- allowable tax calculation or we can tap into unfunded reserves to balance the budget. So, that puts us in the discussion here what do we do. Do we utilize some option within the zero to three percent tax calculation or do we just focus on the unfunded available fund balance or do we adjust some of the items that we have adjusted, which are -- so, all three options are out there. We can open it up for discussion and see if we can get this down to a balanced budget for the General Fund.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: So, Todd, even if you put in three percent, we are still way upside down.

Lavoie: Councilman -- or Council Member Milam, you are correct. Three percent is 781,000'ish dollars, so that would still leave you 820'ish thousand dollars at the end of the day that we would still need to discuss. You are correct. And we are more than happy to put the three percent at the top line, so you can see what it -- so, you can see how it all moves at the same time if you would like us to or we can leave it at zero and we adjust accordingly.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: For discussion illustration that could be with a first stab at reconciling this could be a placement of two percent, the 529 odd thousand dollars -- again, just to spur some discussion -- a property tax increase and the thought process that ties loosely to that is of these more recent additions and amendments, some of them are relatively one-time expenditures if we are funding reserves and some are -- some personnel that we recognize are ongoing expenses. So, if we were to, for an illustration, close the gap with a two percent allocation of the property tax and, then, if you scroll down to the bottom where we have designated fund balance of 8.9 million, dangerous to utilize that fund personnel ongoing expenses, but could be appropriate to recharacterize 1.1 million of it to populate those four reserves. Rather than saying 8.9 is an undesignated fund balance, realistically it's 7.8 million, because 1.1 we all know is unofficially designated for our replacements, our capital improvement, our public safety. So, we could

move 1.1 from that fund balance to fill the four buckets up top and, then, fund the personnel ongoing costs through utilizing two percent, as an example.

Lavoie: Madam Mayor, Councilman Borton, that's a great example and it's very doable. What we would do -- and, like you said, just transferring the current available fund balance in General Fund to the other reserves and creating fund balances there. So, you're just kind of -- you're just moving the reserves around. You're a hundred percent correct. So, that is a viable option.

Borton: Madam Mayor. And some of the thought behind it, unlike a decision for personnel where we acknowledge and we are making a commitment to those recurring expenses, while we would like to commit to fund, if it's one percent a year or some formula, to fund these reserves, we have -- we can elect not to. On a given year if we are unable to do it, that might occur. So, I think transferring the undesignated fund balance to accomplish that may be appropriate to accomplish what we are doing. It doesn't kick the can down the road. That's my two cents on the purple box.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Councilman Borton, you come up with a great idea program, but I -- I would almost, for the taxpayers, sooner take the three percent now and take that extra two hundred and some thousand and leave it in our fund balance at this point. I feel that we went through this morning and the previous two days everything thorough enough that I don't think we have got -- I don't think we have got anything in our budget that we don't need in there. That we don't need. I know I'm in the majority. I -- I would only -- I would give a two percent raise instead of a three, but I know that's -- that's the minority and that's fine, but I -- I would sooner take the extra one percent of the deal and leave that in the fund balance. It would be -- if that would be something you guys would entertain.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: This process I think has been I guess we can say it's the best year ever, but I really think that this budget process has been for me very enlightening in that it puts Council in the position to really articulate what is the needs of our Council and to engage our Mayor and to engage our directors about what their true needs are and I'm one of those that believes that if it makes it into a director's budget, if it makes it into the Mayor's budget it's a need from their respective and we weigh is that really what's best for the community and I think we have done that today. What I think is great is by articulating what the needs are -- based from the directors the needs, based from the Mayor the needs,

based on the Council -- Councilman Borton put together I think a great proposal that meets those needs, that identifies for future planning and doesn't really arbitrarily settle that on the backs of -- of our taxpayers and so while I have been an advocate of this whole process of doing everything in our power not to take anything above zero percent, I think the directors, the Mayor, Council have demonstrated a need and I would support Councilman Borton's proposal of taking two percent, getting these -- these enhancements that the Council's voted on as needed and warranted and adequately funding for some of those future needs as well.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Todd, you got that balanced out there now?

Lavoie: Madam Mayor, Mr. Bird, what you have on your screen is the plan that Mr. Borton proposed. That is the number at a balanced budget we would utilize a little over one million dollars from the current fund balance of General Fund to reallocate towards the fund balances of the reserves.

Bird: I can live with that.

De Weerd: I feel like we are robbing Peter to pay Paul, but maybe I'm missing something in terms of -- the General Fund is our savings for capital improvement plan -- for the capital improvement plan that is fiscally unconstrained at this point. The reserves truly represent pieces and parts of the capital improvement plan -- yeah, I -- we put money in the General Fund reserves or General Fund has been one of those main funders of the capital improvement plan. So, the -- yeah, we are just moving around.

Milam: We are taking from checking and putting in savings.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: And to your point -- and I -- very well taken. I agree with you and while I won't probably see that, but we keep doing -- we keep doing this and we keep taking out of the fund balance -- one of these days we are going to want to do a - - we are going to have to do a capital -- won't have the fund balance in there and after about five or six years of only taking your one or two percent increases you will have it wiped out anyway just to make up your budget, because your budget is growing every year -- your base budget is growing every year and I -- I just think that -- while I hate taking it -- adding taxes to people, we still maintain a mill levy under four and that fund balance in there is for emergencies and for capital

improvement and we keep taking from it we won't have it and, then, you guys will come up to a budget year that you have to really dig or you will have to go out and get a bond.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: So, the -- the ongoing cost of just adding the police officers, the sergeant and the corporals that we added, is more than that one percent difference that was going to be required for next year. So, by not taking the three percent we are automatically going to have to come up with that money somewhere else and as Councilman Bird said, I -- and I have said this before, I pay tax six houses in Meridian, so I don't want to have to pay any of it, but I am -- I am willing to pay the difference, because that's what makes our community great and I think we need it and pulling it out of savings doesn't necessarily fix any problem.

De Weerd: So, Todd, what does it look like if you use the three percent?

Bird: Big difference.

De Weerd: So, that 820,000 -- one of the differences in what has been set aside is creating a replacement fund, which we haven't had in the past. We just had the replacement list and we were hoping to be able to build replacements into program costs. So, you see it a little bit different. By removing that and making sure you have the public safety fund, which was created to start setting money aside for big purchases like the fire trucks or fire engines or ladder trucks or whatever, because it does -- it does qualify under the capital and as a CIP. The other portion to that that almost gets you there is the 400 -- \$401,000.50 for the benefits. You can -- what we need to do for the benefits committee to -- to come back, you still have room for them to work within -- and bring back a recommendation for your next -- for next year that can give you options, can give you costs and that we do have money set aside, but that additional 400,000 can be deferred until next year as well. We kind of looked at that money that's needed to set aside to do it all in one year, but we can split that and if that is a recommendation that comes back from the benefits committee -- and that's just another option.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I really like Joe's of taking the one percent and putting in their deal. I think I know in my mind, but, Todd, throw a half a percent in there. Instead of 373 put in the hundred and -- what would it be, 140 some thousand in each one of those. A half a percent? And you wanted to leave the 400? So, basically, we could also

take -- 186,000, while it isn't as nice as the 373, at least it is something to start with. And you take the 401, which the Mayor says we don't need, and you take 260 out of that, that leaves us, what, 140,000 or something for that and, then, we balance the budget and we don't have to use any of the fund balance.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I would rather see all of the replacement fund go and take the public safety fund back up to one percent.

Bird: Good. Okay.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: You hit it on the head. There are two wholly distinct actions happening. One is a reallocation of funds from one account to the other. You know, from -- for lack of a better term, the savings account into four savings accounts. The separate item is new today we have added potentially what would be four positions totaling 540,000 dollars a year that we didn't have yesterday to try to balance. So, the idea of the two percent and maybe three is more appropriate, but that percentage to try and capture and at least cover the additional labor costs that have been included. The separate item would be you have got 8.6 million in undesignated fund balance, we can move 100,000, we can move a million, we can -- that's merely just shifting and recharacterizing existing savings, at least for the purpose of this year's budget. But the percentage of one percent, two percent, three percent really tries to address that added ongoing labor cost, which is, again, 537,000 dollars.

De Weerd: And that -- I appreciate you pointing that out, because shifting from the General Fund on to balance costs that were added -- that are added to the basis is -- is not a good practice, because you're -- you're taking money that's for a one time only type of expenses to close the gap on ongoing.

Bird: Yeah.

Borton: Madam Mayor, that 537 is actually a little high, because that includes the one-time cost of equipment, cars, and so --

De Weerd: Yeah.

Borton: -- it's under five, but it's big. So, the two percent certainly covers the new ongoing costs. Three percent does as well. The second activity would be

whether or not we want to reallocate the undesignated fund balance, which is above and beyond emergency reserves to what we know are going to be those future expenditures, so --

De Weerd: I guess the only thing I would add to that is it's the -- the capital improvement fund has always been anticipated to cover the capital improvement plan, which, again, is not fiscally constrained and what we don't have for you yet is even a look on those unfunded staffing plans that increases the unfunded gap, but using the capital improvement fund to -- and since replacement has been taken out, because I agree with Council Member Milam to put more into the public safety fund, but we have never used capital improvement fund technically for a replacement, because that is kind of a cost of doing business and a level of service expense. So, keeping it whole to those one-time costs, because that replacement fund is going to continue to -- the replacements will continue to grow every year as we grow and our assets grow, it -- we would like to see it rolled into true program costs that we hope to get to you this coming year.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: Todd, can you put -- change that back to two percent so we can see what it looks like. Is that the 401 --

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Council, can we take 520,968 out of the -- the fund balance and just go a two percent?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Reflected in the blue box you're taking that 520,000 and you're moving it to the public safety fund.

Bird: Uh?

Borton: That 520 is being moved roughly to the capital improvement fund and the public safety fund. Effectively has a net result of --

Bird: No. It's the fund balance being put in.

De Weerd: It's monies that are set aside for our capital improvement plan.

Bird: Yeah.

De Weerd: Just want to make that clear. Robbing Peter to pay Paul.

Bird: Yeah. As it --

Borton: Sure.

Bird: As it's looking there we -- are we agreeing on it or do we want to make some other changes?

De Weerd: So, I guess the question is if we are just moving money out of one fund to allocate it to two other funds, why go through the exercise? I mean why put any money into the capital improvement fund and the public safety fund? It's already pretty much there in your General Fund and your fund balance.

Milam: Madam Mayor?

De Weerd: Just kind of a question. I --

Milam: Madam Mayor?

De Weerd: Yes, Mrs. Milam.

Milam: By the same token, why are we, then, also transferring it to the benefits fund.

De Weerd: Well, that will be an expenditure. I mean that -- that's to -- I am just saying we know that based on the history of the expense or the increases in our benefits each year, you -- they need to weigh -- the benefits committee needs to weigh do we just continue to pay that or do we look at self-funding or other programs and if you look at those other programs or self-funding, you have to have -- it will be -- it will be a reserve that draw in as your experience rating changes. It's required if you go the self-funded route and the reason that it's not been one of the viable things that have been considered is we haven't had the funding to put in that reserve account.

Milam: You can just take it out of the General Fund and put it in there?

De Weerd: We haven't had the buffer to do that.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: While I know that I'm not alone, I assume I'm probably in the minority that there has been one other option that we haven't discussed and that is a wide variety of enhancements that we just voted on. Those could very easily be rediscussed and I think there would be some considerable savings discussed found there. I would ask maybe Council Member Palmer what Dave Ramsey would say we should do in this situation, because you appear to be a subject matter expert on Mr. Ramsey, but we are talking about moving around funds and we maybe should be talking about removing some items that we have previously agreed that we want to pay for.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Just for fun, Dave Ramsey would say there is no sacred cow and a previous Council was established maps, which establishes art as a sacred cow to be funded regardless. So, there's 45,000 dollars sitting there that, if I understand it right, a simple ordinance to repeal maps would free up 45,000 dollars. But that's just me and what I think Dave Ramsey would say.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: I think Dave Ramsey would drive through the city and say what nice art you have.

De Weerd: And say what a good job you have done with a low rate and a balanced budget and no debt. Wow, you guys are amazing. That's what he would say.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Who is Dave Ramsey?

Milam: A very, very sick man.

De Weerd: He's very, very main on everyone else's --

Bird: Is he in Gates and Buffett's category or --

Palmer: Far from it.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: To answer Councilman Bird's question, I'm comfortable with --

De Weerd: Who Mr. Ramsey is?

Borton: No. The earlier question.

Bird: Do you know him?

Borton: The Bird budget that we are looking at right now.

De Weerd: The Bird budget.

Borton: The Bird budget. The two percent and the allocation to the funds as noted here is good by me.

Bird: Good.

Milam: Me, too.

De Weerd: Okay. Well --

Bird: We need one more.

Little Roberts: Madam Mayor?

De Weerd: Mrs. Little Roberts.

Little Roberts: I think I will weigh in one more time. I know everybody is probably getting tired of me saying I'm concerned about future years and I would still go for the three percent. We are taking on things that are going to be ongoing costs and I think we really need to -- you know, especially with staffing and things like that, I think we are going to need it.

De Weerd: I do believe that our Finance director is -- has shown you good -- good information in terms of looking further than just this year and what the implications are on not taking the full three percent. I believe that our departments have showed you what's coming up next year in terms of what we will be looking for funding and I would agree with you on that, that that certainly - - when you borrow from the General Fund to balance your budget -- I guess just to balance it in terms of funding different line items, it -- for me Dave Ramsey would say that doesn't make a whole lot of sense, but -- but we want to quote Dave Ramsey and put words in his mouth, even though he's not here, so --

Bird: I would like to meet this guy.

De Weerd: I will say that former councils have -- have continued to keep us in an enviable position from other cities' standpoints if -- as they look at and talk to their taxpayers that they do have a low mill rate. We are a full service city. We are able to do a lot with a little and we have a premier city that people are pretty dang proud of and I can tell you that by knocking on doors last year that they appreciate everything that our councils do and I -- I think by going through -- this has been a good discussion on -- and I think having the discussion on the different budget items that still have the lingering questions that that is what you are -- you need to do. But I think that you have found areas that you feel comfortable with that the advice of the people we hire to give you that advice on what we need and if we want to maintain that practice of saving and, then, paying -- saving before you spend, it just doesn't make a lot of sense to transfer from one line item to fund two others. The three percent I think has been shown that it's justified, it's just based on what you feel comfortable making a decision on. Again, I would just say you are moving money around to balance a budget if you don't take the full three percent.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: A different way I guess we could have tackled and not get -- gotten sideways on this is -- if you removed the -- the -- above the line allocation into these funds and didn't have it at all and you had a two percent, your budget would be balanced -- I mean without shifting funds -- again, that second consideration -- the blue box consideration is a separate process. So, for example, if we ignored shifting funds and we merely use two percent, the budget is balanced. The process, one, would be complete and you're not balancing the budget by shifting funds or using undesignated fund balance.

Bird: That's right.

Borton: Is that --

De Weerd: I believe you're -- you're correct. It would -- I don't know if it was last year or the year before Council said we would like to at least establish a practice of funding the public safety fund by one percent and that one percent would take you up to three percent, just in my quick math.

Borton: Right.

De Weerd: We -- we gave you the zero percent, knowing that the public safety fund was the first one and, you know, looking at that I think that the three percent

would continue that -- not policy and certainly we didn't adopt it by ordinance, but by practice would continue that one percent into the public safety fund for those unknowns.

Borton: Got you.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: Basically, another way to look at it -- I mean three percent does not even cover inflation. So, if we are looking at just the simple basic cost going up, three percent does not even cover it. So, we're looking at merit. If we want to do three percent merit we need to take a three percent tax -- three percent --that's inflation and it doesn't -- so, that's only part of it. That doesn't cover our power bills going up. It doesn't cover our cleaning -- you know, our cleaning. So, just being realistic, we are just going to be borrowing from or -- we are going to be borrowing every year if we don't at least keep up with inflation.

Lavoie: Madam Mayor? Council Woman Milam, if I can jump on where you're going, I think it's fantastic. To go along with what's coming down the road -- not today, but tomorrow in the future, just alone -- and you can see on this page you have merit, which is 723,000 dollars, those two items right there. So, that's your 723 for today, tomorrow, every year going on. Now, if we scroll all the way down to the bottom with enhancements -- so, we went through all the expenses, we decide what expenses we'd like to present, your base budget adjustment again -- not only for this year, but for the years going forward, because this is -- these two items are base budget items you're asking for another 1.7 million just in base budget items. So, so far we are up 2.4 million dollars that we are asking to pay not only today, but tomorrow, next year, next year, next year and that reiterates where the Mayor is going, those comps that we need to make sure we cover -- if we are increasing base budget by 2.4, our revenue sources just have to stay in line if we are going to be able to maintain this level of expectation for the citizens. So, to reiterate -- or go along with what you're speaking about, Councilman Milam, the three percent support that's based on a 2.4 million dollar alone, just on the base budget items that you will see next year as part of your base budget. So, the three percent, again, supports covering those needs, not only for today, but tomorrow and the future years. Madam Mayor, Council President Bird, would you entertain -- entertain the idea of putting three percent at the top line and adjusting the reserves accordingly and just balancing the budget as is and, then, we are -- you know, as the Mayor and Council Borton has stated, instead of moving or shuffling money around, balance the budget as it and, then, we can look at transferring funds balances based on our decisions if we wish to -- today or another time, but at least go with what Mr. Borton was saying, let's balance the budget as presented.

Bird: Madam Mayor? Todd, I would -- yeah. Put the three percent up there and let's see what we -- what we come up with. And just for the new people, I think there is some -- a municipality to the east of us that didn't take the three percent for a few years and we -- we like to take care of our employees here. They were not able to give pay raises because of not taking that for quite a few years, so while I don't like increasing taxes as much as anybody, I still think this compounds on you down the line and pretty soon you will be -- you will -- it's like if we are -- on our own home budget, if we have to take out of our savings every month to make our bills, how long are we going to be viable? Anyway, let's see what we got with the three percent now.

Lavoie: So, Madam Mayor, Councilman Bird, we have established three percent as is. We have left the reserves as we have discussed. We are currently at 260 in a deficit position. We could tap into the fund balance of the General Fund, just move it to a different fund balance, which was presented, or we reduce the reserves on the top line and we balance the budget according to the resources that we have available today.

Milam: Madam Mayor?

De Weerd: Yes, Mrs. Milam.

Milam: So, basically, take 186 out of the CIP fund and another 84 from the safety fund and, then, we are down to zero. Still put in --

Lavoie: We have three reserves we can tap into to spread that 260,000 dollar gap right now. So, if you want to spread it amongst three or two, we definitely have those options, or we just spread it to one. I have heard that public safety is the number one priority, so we want to keep that -- keep that one whole. That's just from what I have heard. But, again, we have that option, we can spread it amongst three, two or one.

De Weerd: The commitment needs to remain in the public safety fund.

Lavoie: I agree. So, with that we -- if we keep the commitment to the public safety fund, we will leave 373, that leaves two items where we can tap into 260. Again, we can remove the entire 186 out of Capital Improvement Fund and, you know, find a different funding source or apply money to that maybe next year or we can --

De Weerd: Can I make a suggestion as maybe remove the capital fund transfer, the 186, and reduce the benefits reserve to balance your budget.

Lavoie: We can definitely do that. We will present that to you. Again, if everybody is comfortable with this, this will be the three percent property tax, the

three percent merit, the benefits as is. The reserves distributed accordingly and if we all go to the bottom, I believe that gets us pretty close to zero for the fiscal year 2017 budget for the General Fund. Council President, if you are okay with that and your fellow Council members are, we are --

Bird: Joe?

Borton: I'm curious everyone else's perspective. I -- it does balance. I understand the reasoning behind it.

Milam: I'm good with it.

Bird: Luke?

Cavener: I have got significant issues with this, to no one's surprise. Again, we opted to continue to add additional enhancements and take the three percent and reduce the amount that we are putting forth for benefits and we didn't fund capital improvements in an appropriate manner, so I have got significant issues with this and, again, I'm probably alone, but I'm okay with that.

De Weerd: I don't think you're alone.

Palmer: Madam Mayor, Councilman Cavener, you are not alone.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: We can leave this like it is for now and go on in and get our -- get our Enterprise Fund -- because we have to send both of them forward as a complete budget, so at that point we can still have our discussion. Is that fair with everybody?

De Weerd: Yeah. At least it will get our Public Works Department back to work. Geez. I mean gosh. No one likes to see sausage made.

Milam: Public Works is like that.

Cavener: All right. Then let's move on. If we are going to push this off let's --

Lavoie: Madam Mayor?

De Weerd: What is the hope -- you know, Council, if you want to go ahead and look at the Community Development budget and Public Works and, then, come back to this? Is that --

Palmer: Madam Mayor, if possible I would rather hash it out right now, because by the time we get to the end of it it will be too easy to be like it's 2:00, 3:00 o'clock, let's just do it and move on. We are in the Enterprise Fund mode.

De Weerd: Okay.

Milam: Let's go. Are we voting or what?

Palmer: Madam Mayor, then, so with that, my vote on the -- some of the police department enhancements for the positions that I voted in favor of, I'm willing to change on. I don't know if anybody else was.

Milam: Madam Mayor?

De Weerd: Ms. Milam.

Milam: So, shall we take a vote on the way it sits or do we need to be --

De Weerd: Yeah, we can -- we can do that. So, you do have the budget as proposed -- or as currently in front of you. So, I will just ask for a roll call.

Holman: Thank you, Madam Mayor. Council Member Cavener?

Cavener: No.

Holman: Council Member Milam?

Milam: Yes.

Holman: Council Member Bird?

Bird: Yes.

Holman: Council Member Palmer?

Palmer: No.

Holman: Council Member Borton?

Borton: No.

Holman: Council Member Little Roberts?

Little Roberts: Yes.

De Weerd: I'm not breaking that tie.

Bird: No.

Milam: All right. So, now we have got to hash it out.

Cavener: Aren't you supposed to break the tie?

Bird: No. Not on the budget.

Cavener: No?

De Weerd: I can break a tie, but I -- I think that that would be the wrong thing to do.

Bird: On the budget.

Cavener: So, Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: In light of that, where do we go from here?

Bird: Let's have some other proposals. Madam Mayor?

De Weerd: Mr. Bird.

Bird: From the no votes, let's have some other proposals of how we get there.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Is there any interest in finding another 45,000 dollars by repealing the maps ordinance?

Milam: No.

Borton: No.

Cavener: Yes.

Palmer: No sacred cows. And on that I think it's -- you know, the people have entrusted the Council of the time to make the decision with their tax dollars and so I hate to have previous Councils tie our hands on things that there is a situation where we feel the dollars could be better allocated and so that's my argument on maps.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: Four of us were part of that Council, so it was not just a previous council. Just saying.

Cavener: It doesn't get us any closer. Forty-five thousand dollars is --

Palmer: There is also, Madam Mayor, if I can continue, there is some organizations that I don't know what they are. The Core. Treasure Valley Partnership. Boise Valley Economic Partnership. I know what COMPASS is. If we were to eliminate the dues in those, that's 79,000 dollars.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I'm comfortable with the -- the inclusions. I'm not inclined to -- to revisit anything that we have already gone through or things of that nature. I -- what I started with I thought still was a viable option at two percent for this year, so that was the reason why I voted no. I thought you could get there with a two percent.

De Weerd: Well, you could get there with the two percent if you took the money out of the public safety fund it looks like. But, again, you're, then, affecting the base, so --

Milam: Stalemate further.

Borton: Madam Mayor, I don't know if that idea had more than one vote, quite frankly, so for the folks that voted no, that was the alternative solution. I don't know if there is a second or -- I think Council Palmer might have been approaching maybe a different way and Councilman Cavener spoke of perhaps eliminating enhancements, which I didn't think was necessary. So, if there is another solution I don't know what it is.

Milam: Madam Mayor?

De Weerd: Ms. Milam.

Milam: I would -- I would go along with two percent if -- if that's what everybody else feels is appropriate. It still doesn't cover inflation, but I would accept that.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I mean I have no problem going to the two percent, too, but you're going to -- you're going to fill it in with your savings account, so I don't -- I don't have any problem with two percent. I don't have any problem with one percent or zero percent, but you're going to just be robbing Peter to pay Paul.

De Weerd: Well -- and even more so, because you're affecting the base.

Bird: Yeah.

Lavoie: So, Madam Mayor, Council President, would you like us to apply the two percent to the spreadsheet as is so you can see what it looks like? Again, the difference is 260,000 dollars is one percent. So, what Councilman Borton is proposing is a 260,000 dollar reduction to your property tax calculation, but, then, we would have to pick up 260 from another location and if I remember what Councilman Borton proposed was utilizing the current fund balance to pay for that gap.

Borton: Right.

Lavoie: Is that what you're still proposing?

Borton: Correct.

Lavoie: Okay. We will apply it and let you see what it looks like for you. So, Madam Mayor, Council, with those changes you can see we still have a balanced budget, the difference is we will be utilizing restricted fund balance to balance the fiscal year 2017 budget as proposed.

Bird: I can live with that.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: The reason why -- well, we have gone through this ad nauseum, but 8.9 is undesignated fund balance, above and beyond emergency reserves and to a certain extent either don't retain those revenues in the first place or allocate them, you know, if we need a large amount in undesignated fund balance to capture these large future expenditures, well, then, let's reallocate it to funds that are designated so we are all aware that the undesignated fund balance really is four million, because we know we need the other four million for these 2019 expenditures. That's all I was trying to capture with planning towards those other fund designations. So, for the purpose of this budget I think it's -- there is sufficient funds to balance it.

Milam: I'm good with it.

De Weerd: Okay.

Bird: I'm good with it. Let's go.

De Weerd: Madam Clerk, do you want to call roll. So, this is -- would be to -- as the summary in front of you and with the various enhancements and fund balance transfers, looking for either yea or nay on what is currently in front of you. Madam Clerk.

Holman: Thank you, Madam Mayor. Council Member Cavener?

Cavener: No.

Holman: Council Member Milam?

Milam: Yea.

Holman: Council Member Bird?

Bird: Yea.

Holman: Council Member Palmer?

Palmer: No.

Holman: Council Member Borton?

Borton: Yea.

Holman: Council Member Little Roberts?

Little Roberts: Yea.

De Weerd: Okay. Moving on. Community Development. Boy, I have some changes for that one. Sorry. I don't. You have my proposal. Although we did have a removal and call on Mr. Palmer.

Palmer: Madam Mayor. The 1,800 dollar one for the water filters is still in here; right? Nothing changed on there? On the back it does say that's General Fund, so take that one out and have another 1,800 dollars. Anybody object?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Todd, maybe -- I hate to put you on the spot. Is this the lowest dollar enhancement in our budget?

De Weerd: No. We had some replacements that are lower.

Cavener: Enhancements.

De Weerd: Yes.

Cavener: Lowest dollar enhancement.

De Weerd: Yes, it is. In the entire budget.

Milam: The police had that 1,500 dollars.

Cavener: This is less. This is 11.

Milam: Oh, it's 11, not 1,800.

Cavener: Oh, it is 1,800. It is 1,800. I'm wrong. Okay.

Lavoie: Madam Mayor, Councilman Cavener, we believe that this would be the lowest one that was presented to you in the draft -- in the budget proposal, yes.

De Weerd: Was there a follow up question to that?

Cavener: And I recognize I'm being probably hypocritical at this point, because I don't look at enhancements based on the dollar amount, you try and look at them based on the need and an 1,800 dollar enhancement should receive the same critique as an 18,000 or 180,000 dollar enhancement. That said, I think the department demonstrated the need for why they -- they need to -- I'm surprised that they don't have enough money in their budget already to take care of it. That to me is -- seems somewhat surprising. If the Council feels that it's not warranted for that department, well, I know some other departments that have had access to the type of facility, I will support that, but at this point I think it's worthy of staying.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, Todd, do we know the -- the average -- across the city the average extra dollars that -- I think, actually, we -- I know from before. That each household is going to pay with a three percent increase.

De Weerd: We are not having the three percent increase.

Palmer: Or whatever we ended up with, too. Sorry.

Lavoie: Madam Mayor, Councilman Palmer, this is -- if this is the slide that you are referring to, this here represents three percent. So, you could take it -- you know, multiply it by two-thirds to get the two percent value or you could divide by three and multiply it by two --

Palmer: So, we will take the biggest. It's going to take 78.8 households at the largest tax -- is it two?

Milam: It's at three.

Palmer: It's three.

Lavoie: Increase -- this represents three percent.

Palmer: Say it was three. That would be 78 households to pay for the water filter and their tax increases, so --

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Perhaps maybe in an effort to expedite this we can just go ahead and vote on it?

De Weerd: Okay. Those that support keeping it in, please, indicate by saying aye. Those that would like it removed same sign. Okay. Thank you. That was - - thank you for asking for a vote.

Palmer: And, Madam Mayor, I -- every penny I don't take lightly I guess is the point.

Cavener: I agree with you.

De Weerd: Okay. Any other questions for this -- this budget? Okay. Thank you. We will move to Public Works and the first department up is MUBS and I -- I heard rumor that we are not supposed to call it MUBS, it's utility billing. I was always corrected when I called it MUBS.

Lavoie: Well, Madam Mayor, just to let you know, consensus over here is we are okay with MUBS. We call ourselves MUBS.

De Weerd: We have always called it MUBS. If there is no questions about MUBS, we will move to Public Works. And that's Public Works administration and engineering. And the Enterprise Fund you have in your summary what -- what has changed and you have a new -- an updated budget enhancement on the salary. Which I do like the cartoon under Public Works, by the way.

Milam: Madam Mayor?

De Weerd: Yes, Mrs. Milam.

Milam: So, this 225,000 special services was removed?

De Weerd: Yes. And it was changed to the -- the new budget sheet in front of you.

Milam: Okay.

De Weerd: Because that -- that's reflective of the change that was already approved by Council either a week or two ago.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Just a reminder from our discussion on the 17,000 for It Starts At Home, that there were no strings attached to those funds, in case anybody wanted to spend them elsewhere.

De Weerd: Any other comments or questions on this? So, we will move to water or wastewater. What is next? Water.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: If I could, water -- it has a lot of capital expenditures and if I could have -- ask Mr. Barry real quick one of the things we note at the end is the use of the fund balance, which we know is -- there are some natural swings and some are rather large. Fifty-two percent of the fund balance is being utilized for these capital projects. It may be just kind of a brief -- it's kind of a brief recap of -- of that that gives us comfort that --

Barry: Yes, Mr. Borton.

Borton: -- fund balance is not in jeopardy.

Barry: Thank you for the opportunity to stretch my legs. I appreciate that. We are experiencing in this next fiscal year in our proposed budget and the following fiscal year a pretty high capital need in regards to the department and infrastructure in regards to new infrastructure associated with growth, some repair and replacements and, then, also regulatory requirements. We model all of our capital improvements that are included in our ten year capital improvement plan in our ten year fiscal model, so the model does predict exactly as our budget is suggesting, that we are going to be deficit spending over the next fiscal year and the following fiscal year and both will be pretty dramatic. After that point we begin to return money back to the fund balance and the fund balance begins to grow over time, somewhat slowly, but -- and, of course, when you look out ten years I can't tell you with certainty at the end of the ten year period we are going to be exactly where we are predicting at this point, because a lot of things change, but what we can tell you is, yeah, it should be concerning that next year and the next -- in the FY-18 fiscal year we are going to have some pretty significant deficit funding, but that's also why we have been saving up for the last several years is to expend those monies now that we have saved up to invest in the capacity improvements, the infrastructure repair or replacement, and also the regulatory requirements that we have known about since 2009. So, this has all been -- you know, for whatever peace of mind I can give you, this has all been predicted, it's all been modeled and it's all been budgeted accordingly. So, we feel very comfortable about where we are. But I can understand why one looking at the budget would say, holy smokes, we've got some -- some pretty big ending fund balance withdrawals to balance the budget, because that is what is happening and that is what was planned to happen and you'll see that again next -- in next fiscal year budget as well.

Borton: Thank you very much.

Barry: You bet.

De Weerd: Thank you, Tom.

Barry: You bet.

De Weerd: Any other questions on water? Okay. Move to wastewater. Okay. Any questions on this? If there are no questions, do people feel comfortable asking for a vote?

Milam: Yes.

Bird: Yeah. I do.

De Weerd: Okay. The vote would be on the -- the budget for the divisions of Public Works. Madam Clerk, will you call roll.

Holman: Thank you, Madam Mayor. Council Member Cavener?

Cavener: Aye.

Holman: Council Member Milam?

Milam: Aye.

Holman: Council Member Bird?

Bird: Aye.

Holman: Council Member Palmer?

Palmer: Aye.

Holman: Council Member Borton?

Borton: Aye.

Holman: Council Member Little Roberts?

Little Roberts: Aye.

De Weerd: All ayes.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: Just a question for Finance. Is there a reason the benefits reserve -- is it not split on purpose? Should it be split or --

Lavoie: Madam Mayor, Councilman Borton, that item there is a placeholder, because we will acknowledge the Enterprise Fund portion in the future. That is a smaller -- much smaller value than the General Fund does, so we think we can manage that in the future years with them.

Borton: Okay.

Lavoie: But it is a placeholder. So, we will have to acknowledge it most likely in '18.

De Weerd: Okay. Mr. Bird.

Bird: Very nice job, Public Works. We didn't have any problems with you guys. Thank you.

De Weerd: I'm sure you're going to mention it must have been the liaison.

Bird: Yes, it must have been the liaison.

De Weerd: But we do appreciate you spending your day with us.

Barry: Yeah.

De Weerd: Thank you. Council, I -- I apologize I wasn't here last night and I wish I had been part of the presentation on the accreditation for our police department. I -- I know that Council Member Milam and I have seen some messages last night in her acknowledgement of the work and the dedication that really goes behind that accreditation. I would just like to -- to add my comments to Council Member Milam in terms of we appreciate our -- our police department and I am really proud that we were one of the few police departments in the state of Idaho that goes through this accreditation process. It shows the dedication and the pursuit of excellence from our Police Department and I just would like to give my congratulations, my thanks to the chief and -- and hope that you pass that on to your team and your entire department. That's a big deal and, really, they are -- I'm thrilled to have seen that and I apologize I wasn't part of receiving the report.

Lavey: Madam Mayor, Council, we definitely appreciate hearing that and I will pass it on to the entire department. Last night I gave personal recognition to Lieutenant Scott Colaianni who also wasn't able to be here. So, it's really kind of a wasted -- waste of words, but I did communicate with him last night the importance of that and our appreciation. But we are -- we are grateful and, like I said before, as we strive to make Meridian the best. So, thanks for those kind words.

De Weerd: But what I also shared with Council Member Milam was the comments that -- and I know I passed that on to you last night, too -- the comments the work that Lieutenant Colaianni has done in -- in putting together a security plan for the event later today. There has just been complete awe of the Universal Studio team and certainly the personal security personnel on the thoroughness of the plan and they have made comment that it's the best plan they have ever seen and so big kudos to your team on that as well.

Lavey: Madam Mayor, as -- as you and I were talking last night I passed that message on to Lieutenant Colaianni and, of course, he said thanks and I went out for my run and on my run I started reflecting on that and I said, you know, this is a really big deal, he goes what, and I said consider the source. This is a really big deal about what we did here Meridian and, again, that just says a lot about

who we are as a community. So, I did pass that on to him as well, because it is a really big deal being the -- the best and being recognized by the Universal Studios execs and Matt Damon's body guard, so thank you.

De Weerd: Thank you. And to our Finance team, thank you. You -- you just made this -- again, I think Councilman Cavener said that every year this gets better and this year has remained on that same schedule as getting better. We appreciate that. I know that Todd has some -- some goals for next year and that it's going to take some work to get on par with where he would like to see us, but we appreciate your team. Good job, Jenny, for your first budget year. Definitely kudos to all of the department directors, division administrators and we just have a great team here in the city. A heartfelt thanks to the Council liaisons that worked with each of your departments and go through line by line and enhancement by enhancement to better understand -- and I know there are a lot of meetings that went on between the first two half day workshops and this one to better understand the enhancements. Thank you to our Council for spending the time you did to get to where we reach today. That it just shows that -- how the process works and -- and I appreciate that, so --

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I want to thank everybody for their views, their questions and everything. I think this was one of the most perked up budget --

De Weerd: Perked up?

Milam: A lively --

Bird: A lively, but a lively perked up budget we have had and I have appreciated all the questions and the -- the way everybody has conducted themselves and it has went well. I appreciate the Finance staff and on last night -- Mark, I got to tell you, you did a great job on that award.

De Weerd: Hometown hero.

Bird: I'm glad you were doing it and not me. I don't know -- I think I would have been like the guy. I think I would have been crying, but --

De Weerd: When I watched that, oh, gosh.

Bird: I mean -- especially when you had the little kids standing right there, you know. Anyway, great job. I appreciated it. You did a wonderful job for us.

De Weerd: Well -- and thank you for being here. He was on incident command last night with the fire over by Lucky Peak and I don't know if you were up all night, but I appreciate you being here with us today as well.

Niemeyer: Not all night.

Bird: He wasn't up all night.

De Weerd: Just most of it, uh. If there is no further business, I would entertain a motion to adjourn. Sorry, Todd. I was ready to go.

Lavoie: You're okay.

Bird: Madam Mayor?

De Weerd: I was ready to go.

Bird: Madam Mayor?

Lavoie: I will make it quick. Madam Mayor, I just want to, again, thank you to you and the fellow council members and all the staff members that have helped put this budget together as you have stated and every year we try to make it better and we -- it's definitely a collective, it's definitely a team effort, and, again, appreciate all your time and efforts onto this. We have a fiscal year 2017 balanced budget which is awesome and, again, we appreciate that. As a process we will be back here next Tuesday, we will give a document to the president, President Bird, he's just going to announce to the citizens the tentative budgets for fiscal year '16 and '17 as we established here. Again, that's just a tentative announcement to the citizens and, then, we give them four weeks to come into the City Council -- or to the City Hall and ask for information if they wish and, then, four weeks from now we will have our public hearing towards the end of August and, then, after that we will have the ordinance. So, that's kind of the process of what we will be doing over the next month-and-a-half. But, again, I extend thanks to you, Council, Mayor, again Jenny for stepping up and taking on the big role and the rest of the Finance staff, again, thank you for everything and keep making it better every year.

Bird: Thank you.

De Weerd: Thank you. So, if there is nothing further --

Bird: I move we adjourn.

Cavener: 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 1:22 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)



MAYOR TAMMY DE WEERD

9 / 6 / 2016

DATE APPROVED

ATTEST:


C. JAY COLES, CITY CLERK

9 / 6 / 2016

DATE APPROVED

