

A meeting of the Meridian City Council was called to order at 6:00 p.m., Tuesday, July 5, 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

Others Present: Bill Nary, Jacy Jones, Bruce Chatterton, Clint Dolsby, Berle Stokes, Mark Niemeyer, Steve Siiddoway, Christena Barney and Dean Willis.

Item 1: Roll-call Attendance:

Roll call.

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

De Weerd: Welcome to our City Council meeting. We appreciate you joining us. For the record it is Tuesday, July 5th, and it's 6:00 p.m. We will start with roll call attendance, Madam Clerk.

Item 2: Pledge of Allegiance

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

(Pledge of Allegiance recited.)

Item 3: Community Invocation by Larry Woodard with Ten Mile Christian Church

De Weerd: And now we will be led by Larry Woodard with our community invocation. I will invite you to, please, join us in the invocation or take this as an opportunity for a moment reflection. And maybe, Larry, you can kick us off with introducing your guests.

Woodard: My guests with us tonight are Sydney Lovaza and his wife from Harare, Zimbabwe. He's the president of a small Bible college there in Zimbabwe and today he got to meet the ex-governor Phil Batt, now he's met the Mayor, and he says I would have never had this happen in Zimbabwe.

De Weerd: Well, welcome.

Woodard: So, we our glad to have him with us. I won't go through the directory of the city departments tonight in my prayer, but I will, instead, focus on -- on the Fourth of July. Our Dear Heavenly Father, we live in a land of the free and the home of the brave and we have just remembered how our forefathers signed the Declaration of Independence from Great Britain in 1776. The Liberty Quartet was in town this past Sunday night at Valley Shepherd and they certainly lifted our spirits with all of the songs about liberty. We often take for granted the freedoms that we enjoy as Americans and we sometimes think it came at no cost, but, in fact, it cost the lives of 14 of the original 56 signers and another two had their sons killed during that war. So, the freedoms we have enjoyed over the large part of the last two hundred years have been through the sacrifices made. In our family if we had an uncle who fought in Europe during World War II and we lucked out when no family members served in Korea or Vietnam War, but we sure made up for it in the battle in Iraq and Afghanistan when our grandson was wounded six times as a special forces sergeant. We are blessed that he returned and now lives and works with his family in Twin Falls. So, freedom is an easy word to say, but it's difficult to maintain and this evening before this Council takes up its regular city business, I want to ask a special blessing on the Mayor and this Council who strive monthly to keep Meridian as a place of peace and freedom. However, in reading the most recent police blotter our uniformed police are having an increasingly dangerous time trying to protect the citizens of Meridian from drugs and violence and criminal mischief. I pray tonight for their safety as they risk their lives to make ours safe. We are in the middle of our summer heat. People are out and about at late hours. Most of our citizens are enjoying the many parks and swimming pools, but there is a small minority that is up to mischief and endanger others. Help us to remain vigilant to the threats around us and may Meridian continue to be a place where it is great to raise our families. Tonight I ask for a blessing on city employees whose pictures never show up on the paper, whose jobs are so critical to the smooth working of our city and, yet, few people know them. Bless these employees who have no major title, but whose job is critical to keeping Meridian number one in the nation. As we stop to remember those who have given their very last breath for our freedoms, bless their families and may they know that in Meridian, Idaho, we have not forgotten them, in Jesus' name, amen.

De Weerd: And thank for those important reminders.

Woodard: You bet.

Item 4: Adoption of the Agenda

De Weerd: Item No. 4 is adoption of the agenda.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: On the agenda under 8-A staff requests this be moved to Consent item as Item 6-R, which is H-2016-0050. Under 10-A the ordinance number is 16-1699. And 10-B the ordinance number is 16-1700 and with that I move we approve the amended agenda.

Borton: Second.

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

MOTION CARRIED: ALL AYES.

Item 5: Proclamation

A. Proclamation for Park and Recreation Month

De Weerd: Item 5 is a Proclamation. I will go down to the podium. Asked Steven to join me. So, the month of July is Parks and Recreation Month and so this Proclamation is for that purpose, to remind us of all the activities and blessings we have in our community on those open spaces and classes that make us a community that plays together and as well as working together. So, whereas on March 26th, 2009, the US House of Representatives designated July as Parks and Recreation Month to recognize the importance of park and recreation facilities and whereas the City of Meridian, Idaho, proudly provides 255 acres of developed park land, which hosts awesome events, such as CableOne Movie Night, Kleiner Park Live, the Meridian Barn Sour Run -- Fun Run, the Community Block Party, Unplug and Be Outside Week, Gene Kleiner Day and the Meridian Independence Day Festival, encouraging the use of our parks and outdoor activity and whereas children and adults of all ages enjoy soccer, basketball, football, baseball, golf, tennis, volleyball, softball, disk golf, and much more -- Pickleball should be in there -- and much more through the many classes, camps, and lessons offered in our parks and whereas the Meridian Parks and Recreation Department, also known as the Department of Fun, could not do it alone, we have wonderful partnerships with many youth sports organizations and others to offer additional park amenities that bring kids and families to our parks and create lasting memories and whereas in 2015 alone the Department of Fun celebrated the opening of a new tennis complex, an award-winning dog park, and also in 2015 the department had over 12,000 park shelter reservations and had 5,111 players who participated on 531 teams. Therefore, I, Mayor Tammy de Weerd, hereby proclaim the month of July to be Parks and Recreation Month in the City of Meridian and challenge all citizens to participate in Parks and Recreation Month by getting out and visiting one or more of our wonderful parks. So, I present this to Steve, our director, and, Steve, invite you to make any comments you would like to.

Siddoway: Thank you, Madam Mayor. I just want to say thank you. We love Parks and Recreation in the City of Meridian and our mantra has three words, Quality, Community and Fun. We believe in quality facilities, building our community, and providing fun opportunities to create lasting memories for families here in the city and it's our goal and hope that we accomplish that as part of Parks and Recreation Month we hope to promote some fun activities that will bring people out to parks, so thank you very much.

Item 6: Consent Agenda

- A. Approve Minutes of June 21, 2016 City Council Meeting**
- B. Professional Service Agreement for Artwork for Traffic Box Art Project - Moira Hugues**
- C. Police Department: Idaho State University / West Ada School District School Resource Officer Agreement**
- D. Reimbursement Agreement for Connection to Sewer Service at 816 NW 2nd Street with Joseph and Catherine Germundson for the Not-to-Exceed Amount of \$8,495.00**
- E. Sanitary Sewer Easement between the City of Meridian and Dallas Hess, Inc. within Bainbridge Subdivision No. 3 Lot 15**
- F. Sanitary Sewer Easement between the City of Meridian and Dallas Hess, Inc. within Bainbridge Subdivision No. 3 Lot 27**
- G. Sanitary Sewer And Water Main Easement Between The City Of Meridian And Blue Marlin Investments, Inc. within Centrepointe 2 Business Park**
- H. Water Main Easement between the City of Meridian and Dallas Hess, Inc. within Bainbridge Subdivision No. 3 Lot 20**
- I. Professional Services Agreement with CJ Rench For Fabrication And Installation Of Main Street And Fairview Avenue Public Art Project for an Amount-not- to-Exceed \$40,000.00**
- J. Approval of Award of Bid and Agreement to Challenger Companies Inc. for the PRV's 1, 3, 7 SCADA Control**

**Upgrades project for the Not-to-Exceed Amount of
\$82,857.00**

- K. Findings of Fact, Conclusions of Law for Rainier Villas (H-2016-0041) by Aaron Elton Located West of N. Meridian Road and South of E. Franklin Road**
- L. Findings of Fact, Conclusions of Law for Verado Subdivision (H-2016-0047) by DevCo, LLC Located Southeast Corner of N. Locust Grove Road and E. Ustick Road**
- M. Findings of Fact, Conclusions of Law for CentrePoint Subdivision (H-2016- 0057) By W.H. Moore Located at N Eagle Road and E Ustick Road**
- N. Development Agreement for Howry Lane Subdivision (H-2016-0030) with SRS AZ Investors, LLC located at 5220 S. Howry Lane, in the NE 1/4 Section of 33, Township 3 North, Range 1 East. (Parcel No. S1133131200)**
- O. Modified Development Agreement Volante Investments, LLLP (MDA H-2016-0056) Located at 2600 & 2700 E. Overland Road, in the SE 1/4 of Section 17, Township 3N, Range 1E (Parcel No.'s S1117438626 & S1117438451)**
- P. Final Plat for Chesterfield Subdivision No 4 By Kent Brown Planning Generally Located at South of West Pine Avenue Between North Black Cat Road and N Ten Mile Road Request: For a Final Plat Consisting of 57 Residential Lots and four (4) Common Lots on 11.27 Acres of Land in the R-8 Zoning District**
- Q. Final Plat for Trilogy Subdivision No 1 (H-2016-0062) By Conger Management Group Generally Located at the SE Corner of W Chinden Blvd and N Black Cat Road Request: For A Final Plat Consisting of 51 Residential Lots and Five (5) Common Lots on 28.16 Acres of Land in the R-8 Zoning District By Conger Management Group**
- R. Moved from 8A: Final Plat Continued from June 28, 2016 for Isola Creek No. 4 (H-2016-0050) by Isola Creek, LLC Located North Side of W. Ustick Road and East Side of N. Ten Mile Road**

De Weerd: Thank you. Okay. Item No. 6 is under our Consent Agenda.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: As stated earlier, Item 8-A has been made 6-R and that is H-2016-0050. And with that I move that we approve the Consent Agenda as amended and for the Mayor to sign and the Clerk to attest.

Borton: Second.

De Weerd: I have a motion and a second to approve the Consent Agenda. Any discussion by Council? Okay. Madam Clerk.

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

De Weerd: All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

Item 7: Items Moved From the Consent Agenda

De Weerd: There were no items moved from the Consent Agenda.

Item 8: Action Items

- B. Final Plat Continued from June 28, 2016: Bainbridge Park Subdivision for (H-2016-0070) by Brighton Development Generally Located South of West Chinden Blvd and West of North Ten Mile Road Request: A Final Plat Consisting of 52 Building Lots, Seven (7) Common Lots and One (1) other Lot on 22.78 Acres of Land in the R-8 Zoning District by Brighton Development**

De Weerd: So, we will move to Item 8-A, which is a final plat, continued from --

Bird: No. We got it on the Consent.

De Weerd: -- June 28th -- this was moved to the Consent Agenda and so Item 8-B is a final plat also continue from July 28th for H-2016-0070.

Chatterton: Madam Mayor --

De Weerd: Are you doing this?

Chatterton: Yes.

De Weerd: Wow.

Chatterton: Really scraping the bottom of the barrel tonight. So, Madam Mayor and Council Members, as you mentioned, the last time this was heard Becky McKay, the applicant's representative, requested a continuance of this item in order to obtain approval from her client on the acceptance of the conditions of approval in the staff report. This afternoon we got written documentation from Ms. McKay that the applicant is in agreement with the conditions of approval contained in the staff report. So, I'm happy to report there are no outstanding issues on this item.

Bird: We are on the wrong one.

De Weerd: We are on Item 8-B.

Chatterton: Oh, I'm very sorry.

De Weerd: But thank you for that --

Chatterton: A little more clarity on the previous item, which you have already dealt with.

De Weerd: You just wanted to emphasize your first remark.

Chatterton: That you're scraping the bottom of the barrel. Yes. Got it. So, for Bainbridge Park Subdivision final plat, there are no outstanding issues, except for one. The applicant is requesting modification of Condition 19 dealing with when water and sewer easements outside of public rights-of-way are to be provided. The current condition wording calls for the easement to be reviewed and approved before approval of the development plan. The applicant would like to modify this to allow easement approval before the signature of the final by the city engineer and I believe Mike Wardle wanted to say a few words about this.

De Weerd: Thank you for joining us, Mike. If you will, please, state your name and address for the record.

Wardle: Mike Wardle. Brighton Corporation. 12601 West Explorer Drive in Boise. And I do appreciate the opportunity for just a moment. I mentioned last week we were on the second development agreement modification for what proved to be standard conditions of approval that don't necessarily apply in that particular case. The last two items were commercial subdivisions and really had a condition that was applicable more to the residential. As we are getting into

these conditions more and more we are finding there is some questions about interpretation and I spoke with staff this morning, concerned that there may be an interpretation issue with this plat on fulfillment of that Condition 19. That may or may not be the case as we have kind of worked through and discussed it during the course of the day. However, it's an issue that will come up again in the future, so our offer to the Council in this request was that we would like to work with staff and staff has indicated more than a willingness to do so, so that we can make sure that interpretation of these conditions don't create a problem either for us or for you in that sense. However, that being the case, I still think it would be appropriate and do ask for the modification that was requested simply to indicate that you have control over the platting process by affixing the city's engineer signature on the plat. Everything has to be done in order to accomplish that. Nothing really changes with the outcome, but it certainly increases the potential for speeding up the process at the beginning. So, I would be happy to answer questions, but I do ask for that one modification and, then, the privilege to work with staff on dealing with his long-term questions down the road.

De Weerd: Okay.

Wardle: Nothing more than that, Madam Mayor.

De Weerd: Council, any questions?

Bird: I have none.

De Weerd: Do you have anything?

Chatterton: Clint wanted to say a few words about this.

Dolsby: Madam Mayor, Members of the Council, this condition has been in the staff reports for quite some time. Some of the reasoning behind it -- one of the key reasons was -- Mike mentioned commercial developments. Well, commercial developments a lot of times don't require a plat. So, if we change the condition to say final plat, but the commercial development doesn't necessarily require a plat, it makes it tough to get those easements. So, it's requiring a development plan approval, especially with the commercial side of developments, is a really -- I believe is a really good thing, because, then, you can -- you have some -- a way to get the easements done before the development plan is approved. So, in this case we don't necessarily -- wouldn't want to recommend against what Mike is suggesting, but we would like the opportunity -- I see it suggested to discuss it with -- internally with the group with Bruce and Bruce Chatterton and the rest of the folks before we make an official change to the conditions.

Chatterton: And, Madam Mayor and Council Members, as Clint said, we don't have an objection to making this change and we invite the conversation. We are

going to be having a discussion with our development customers coming up fairly soon of process changes and this certainly -- we invite this to be one of those -- one of those issues to discuss.

Wardle: Madam Mayor, just for one point of clarity. I had this same conversation with another staff member today -- appreciate Clint's comment, but it was noted that if a commercial subdivision doesn't require a plat, this condition never comes up. It's not applied to a plat. So, in this case it's applied to a -- a residential project and so we will work it out, but it's -- it's just something that interpretation of that condition has become an issue of concern. Thank you.

De Weerd: Thank you. It looks like you will have a number of things on that list. So, thank you for being here. Council, anything further on this item?

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move we approve the final plat on H-2016-0070 and on Condition 19 we do the modification and while this isn't an official part of the motion, I would think staff would take a good hard look at this ordinance with the development group and with that I move we approve it.

Milam: Second.

De Weerd: I have a motion and a second to approve Item 8-B. Any discussion? Madam Clerk, will you call roll.

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

De Weerd: All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

- C. PY2016 Community Development Block Grant (CDBG) Action Plan Public Comment Period (Open)**
- D. PY2016 Community Development Block Grant Action Plan (CDBG) - Committee Allocation Recommendation**

De Weerd: Item 8-C is under our Community Development Block Grant administrator, so I'm going to turn this over to Sean.

Kelly: Madam Mayor, Members of the Council, thank you for the opportunity to come to you tonight. The first thing that we need to do is -- this is the start of our

draft action plan period and so on the agenda we do have an opening of the public comment period, which will close on August 9th with a public hearing. So, between now and then we can receive comments, the action plan can change in draft form until Council reviews it again on August 9th, which we have the actual hearing. So, that's what we need to do with that particular agenda item, Madam Mayor.

De Weerd: Okay. With your comments I will officially open the public hearing for comments.

Kelly: Thank you, Madam Mayor. So, are we going to move onto the next agenda item?

De Weerd: Yes.

Kelly: Okay. So, this is the -- this is, again, from the committee. We sat down with all of the applications that we had for CDBG for this year. The committee is putting forth these recommendations in this particular -- or through me for this particular presentation and, again, this is the draft action plan, so, please, comments or anything else we want to look at between now and August 9th, things we might need to change, questions that you will have for me to take back to the applicants, please, do so so I can run those down. I'd like to start this with just -- snapshot of our LMI -- you have all seen this picture before. I like this particular slide because it breaks down pretty clearly with the major roads where our low income area actually is in terms of where a 35.5 percent exception community is. So, anything -- anything above 35.5 percent of low income for that area is coded as. This one I like also, because it actually tells you what those percentages are, so you can see where the concentrations are. There are a few areas at the corners on the outside that you might suspect and they are, indeed, a low income area, but because those census blocks are so big and the data is aggregate, you're never going to see those display as a full percentage, but we can always do -- and it's something for Council to remember, too, we can always do an income survey in those areas that we know if there is an actual project that we really think needs to go there and we can get that information and we are allowed to do projects outside of the LMI doing it that way. And just a quick little picture of some of the past projects that we have done for CDBG. The first -- the two on the top there, they all use playground and the fitness path, those were at Meridian Elementary. The fitness path -- the fitness path with the equipment there is what was done last year and, then, also, of course, the Meridian Food Bank, who is always on the list for the applicants. It always does a pretty good job of turning pennies into dollars with their resources they have and the friendship in the community that they have with the different organizations. And, then, this was Idaho Avenue sidewalk -- this is just my picture when I got out there when they first started building it and it was my first infrastructure project with the city actually carrying it forward, so I thought that that was kind of neat.

But just as an idea of some of the different things that we can do with CDBG and this is not the end-all-be-all, clearly, but these are things that we have done.

De Weerd: Sean, I would say on the fitness path at Meridian Elementary School, I went out and walked with them a couple of times and those kids are so ecstatic and so proud of it. I mean these kids really don't have too much and they have really taken ownership and pride in -- in this pathway and know that it's an investment in them, so thank you.

Kelly: Thank you, Madam Mayor. So, for our 2016 action plan that -- we will start with the basics. Three hundred and fifty-six thousand dollars, roughly, that's an eight percent increase. So, once again I think this four years in a row our allotment continues to go up. Public services, 15 percent, that is the rule. We can't spend any more than 15 percent of any year's allocation. That turns out to be 53,000 and, then, administration is capped at 20. We are keeping the administration the same as what we had for last year, which is about 19 percent and just understand, too, that's not all of my salary, that is the comprehensive plan, that is the consolidated plan, there is all sorts of things thrown in there, too. Any planning that we do, if we do income surveys, fair housing activities, all of that is also within that particular amount and, again, it's actually higher now than last year and next year, just so you're aware, because we are doing that consolidated plan and that is going to start right now. So, we are using this year's money to start it, this money to continue it, and, then, the third year is my agency would finish that out with them coming to Council with a new consolidated plan and finishing that with you. So, just so you know why that may seem inflated now and it's just not based on the fact that we have to procure and do that. This is our application process and, in summary, we did away with a couple of smaller -- I don't know what you would call them -- extra hoops to jump through, letters that they need to send for -- if you just -- if you were an applicant that you wanted to submit an application and we have worked with you before or we haven't and you had a project that you called me and you said I think this will qualify, if I told you it qualified, submit an application. I would rather just have applications and have to go through it back and forth with letters. So, I'm trying to simplify that process and because of that we have got more applications, asking for more money than we actually have, making it a little bit more of a competitive process. So, I thought that that was actually a good thing. The projects were ranked by the scoring committee. We don't actually score them by number anymore, it's just looking at the actual -- the action plan, the consolidated -- or the consolidated plan, what are these trying to do, what is their capacity to meet the need, what's the project. Do we need that? And, then, ranking that on top -- on top of each other. Our -- I want to make a quick note about our citizens that showed up. James Lucker and Gretchen Caserotti from the library, it is really really important that we have members of the community that show up that are not representatives of the city, that are not representatives -- that don't work in the Finance Department or on Council. They are -- the way that they look at things is vastly different from the way that I look at things on a daily basis, so I do

want to thank them for coming and, hopefully, we can continue to grow that -- that community interaction with actual citizens like we have now and James is a great guy, just because he is always throwing something else out there that we didn't think about from a citizen standpoint, so I do want to thank them publicly.

De Weerd: I will attest to that as well.

Kelly: So, one of the things I want to make everybody aware of -- so I'm a three-quarter employee, which means I have to look at these projects, too, and tell the committee I can't do all of that and we have a lot of really, really robust projects and so that's part of our dialogue and discussion within that committee. So, that is one of those factors that we have to look at and so can Sean do 12 projects? Probably not. So, we look at seven or eight or six and, then, look at the robustness of that individual project, that level or rigor and so that was part of that conversation. But, then, we looked at what the goals and the outcomes that are trying to be attained by the project itself, does it meet our consolidated plan and does the organization have the capacity to carry that out and do we know that or are they just saying that. So, we go to that process and we try to evaluate. And sometimes we walk away with questions, as you will see a little bit later tonight, that we need answered. Now public service projects, which is any infrastructure project that wasn't in the public service category, if they didn't meet and they were qualified, we rank them like we did last year as an alternate project, so that we will have extra projects in the action plan that we can go back without doing a substantial amendment and trigger if we have a community center façade project that doesn't go forward and I think that that's worked well and hopefully that will work well in the future and we will always save ourselves a little extra time by moving through a project that Council's already approved, as opposed to coming back and let's rethink this again. So, this is just the overview of the national objectives of the CDBG program, so these goals don't change, these goals are part and parcel of what the CDBG program is, so we always have to strive to meet these goals with anything that we do. Every project has to fit these to a T. They are extremely ambiguous and they are very broad and they don't give very good breakdown or check blocks of what actually meets that, so we have to dip into regulations and see and look at other private -- or previously done projects to try to make those fit and we have HUD always to bounce those off of, but just so that you're aware that these are the things that we actually have to hit or it's not a qualifiable project. The slum and blight for Council, the -- the community center project actually informed us that we have an issue and we need to have a plan and assessment. We are currently right now about to -- for myself and purchasing secure a contract with a local engineering firm to do that for us. I will be soliciting -- I will be soliciting some Council help, if you -- if anyone would like to be a part of that steering committee of what we are going to look at, as well as inviting a new citizen and some other folks, I just wanted you to be aware that we are about to move forward with that. It's a good opportunity for me to let you guys know that that's what we want to do. I won't read through this and I don't ask you to, but later on this would be a really good idea if you

could. These are our strategies that we currently have in our consolidated plan. These are going to change next year or they won't, depending on what we get included in our new consolidated plan. For this year I can tell you that affordable housing and the suitable living environment are what we are hitting. That's just based on the -- based on the applications that came in. It's also a good thing, because as long as we can't do slum and blight projects and we can't do things that are directly -- or directly impact tools for economic development, double tapping the housing, double tapping the infrastructure projects, looks a lot better than not doing something entirely, so -- so, for our public service applications, we had a total of four. We are currently recommending funding three. We had more ask than we had to give, which last year that was -- if you remember that was inverse and we were able to give a little bit more to the food bank, because we just had extra money in that pool. We didn't this time, so the scoring committee recommends funding the following ways, with the caveat that happened right before this -- this Council meeting. The Care Enough To Share, we all loved it in terms of the committee, everybody that was there, thought it was a great program. We decided not to push it forward for funding. However, parks just informed me just before that it's not 7,500 dollars that they are super interested in, it's a thousand dollars or 1,500 dollars if that was something that the committee would be -- and that Council would be willing to use, that they could use that amount of money to still carry forth that Care Enough To Share program. And so I told them that I would make that mention here as a correction. The issue there was we needed find about 10,000 dollars -- or 11,000 dollars to take away and we did that by that particular, as well as the Boys & Girls Club. The Boys & Girls Club is -- we have worked with them before. We were concerned about their capacity to meet 15,000 dollars, it's been about ten or 11. So, we moved them -- we moved the football just so that -- just so that they could actually commit to that. We know that they can, but that also freed up a little bit of extra money that we were going to say give to the food bank, like we did last year, but if Council so desired, we could move that Care Enough To Share in the amount of 1,448 dollars, whatever was the overage. So, just so the Council is aware. Jesse Tree homeless prevention, I want to talk about that, just because we have never done it, but Boise has. Nampa is in the same boat we are, that they are currently entertaining them. Jesse Tree is an organization that does a one-time benefit to individuals who are about to become homeless. So, it's homelessness prevention. So, if I'm -- I just got a new job and I'm about to miss my house payment, so I'm going to get kicked out, I'm going to miss my rent, that's what that's there for. It's one time for the rest of your life. So, it's one thing -- one time and the way that they have that divvied up for Meridian is I think about a thousand dollars for the first few months, trying to work with one individual or two and, then, they are going to trickle that off to about 500 dollars per -- per month for the rest of it. So, it's not the entire rent, sometimes it's just what they need for the rent. They may be 500 dollars short, they may be 200 dollars short, but it's one time. So, we recommended putting that forward as homeless specialties under public service. An issue with public service that we noted the last two years in a row, because we had to work with the CATCH and

CATCH is a fantastic organization, but they have had a really troublesome time trying to draw down in Meridian because of some of the self-inflicted things that we've done with the program. We required them to house in Meridian from Meridian. That became really difficult, because they can't find quote, unquote, HUD qualified homeless people in Meridian because we tend to double up, family members take care of each other. You're living with your brother-in-law and your family for a time being, which we would consider maybe homeless if you don't have one of your own. HUD does not consider that homeless. In other places like Boise and Nampa they are able to operate a little bit differently, because they have a bigger pool to pull from. They have shelters, they have agencies that are providing them with very quick housing turnover, so they can actually use those as individuals in their program to quickly rehouse where ever they would like to rehouse them. So, because of things like that -- and that's just something that -- that CATCH has noted and they are going to try to do this again in another year. CATCH wants to continue to work with Meridian, rethink that model a little bit about how it applies to a place like Meridian as opposed to a place like Boise. What that leaves us is two years that they are not going to spend. Last year they weren't able to expend as we know. This year I know that they are not going to be able to expend. They did not apply this year, because they know that. So, what I'd like to ask Council is within this next action plan I would like to trigger something in the action plan that says -- sometime around June, sometime during the action plan, if we know that we are going to have public service dollars that are not going to be expended up to 15 percent, instead of letting them go through public service and, then, using them somewhere else, why don't we use them for public service, what we earmark them for, but maybe one of the organizations that has the capacity to spend. As an example, the food bank that we know -- we could probably give them 100,000 dollars and they could probably spend all that money. So, as an idea for -- and this is just an idea for Council. As an idea for a way to keep that strong, that 15 percent public service strong, as opposed to going nine percent at the end of the year, because we didn't do it. So, I offer that up as an idea and I'd like to include it, so I'd like the Council to tell me if that's okay for me to put that in and, again, we can do that on the 9th. Nonpublic service applications. Five applications submitted for a total funding of 400,000 dollars. That's way more this year than what we had to use, again, inverse from last year. Funding -- or, rather, the scoring committee recommends funding four of the five. Obviously, we had to cut back on one or two of the projects, but we did change the -- change the paradigm here. We are actually asking for an alternate that they didn't ask for and I will explain here in a second. The first one here is low income mix -- it's a low income housing tax credit mixed income development. It's on 2 1/2 Street and I have a couple of slides here to go through towards the end. I'm not going to be joined by a representative of VCD, who was hopefully going to be here to talk a little bit more about it. But what this is -- and just so I can talk very little --

De Weerd: Sean.

Kelly: Uh?

Bird: We have somebody.

De Weerd: Behind you.

Kelly: Oh, you do. You were able to be here. Okay. So, we will have someone able to talk about VCD, so I can talk a little less about it, because they are the experts. So, this is a mixed income housing development, 2 1/2 Street over by the Christian church just down the road here, that's the area. It's zoned Old Town. It's something that they can do there. It's going to be about six -- it's going to be about 61 percent low income and the rest of it's market rate and there is some pictures that we have from other projects that they have done in Garden City that we will be able to go through. But they are asking for 50,000 dollars -- we have recommended 50,000 dollars. However, the committee did say there was lots of questions that we had about what that means and what kind of project this is. If it was any other -- if it was any other type of development it can put -- that can put apartments in that particular place, but because this is an interesting animal, low income housing tax credit, mixed income, partnered with a nonprofit organization, how does that work, we asked if they would show up and come and talk to you guys about what that would be and what questions you may have. Ada County Housing Authority and Neighbor Housing Services, we work with them frequently. We did that last year and the year before. They asked for 50,000 dollars apiece. However, both of them still have money from a previous year, so in an effort to try to lower what we have, we gave them 30,000 dollars as a recommendation to Council, which would still allow them to do what they are doing now, but also have to expend down the money they have from previous years, as opposed to letting them hang onto extra. Meridian Public Works, street lights, Austin Peterson, has developed in one of the low income sections of the LMI a growing map of places that he knows are deficient in lighting and so what he has done is he has two streets that he has picked out for -- if I were to do these -- if I were to prioritize, these would be the two streets I would do right now today and so he's actually -- he's actually going to go ahead and do the rest of the LMI for future projects, because we have lots of gaps in lighting as he's coming to know now. So, he asks for 150,000 dollars for Public Works. Again, we had to lower the cap and so 124 is what we are actually putting in there. The last project was Meridian Development Corporation asked for sidewalk improvements. We did this last year. They ask for a certain amount for sidewalk improvements. We put it as an alternate project. We are probably going to trigger that project this year. However, where they want to do this is on 2 1/2 Street also, the east side of 2 1/2 street, and after meeting with Justin Lucas from ACHD -- and I sat in on the scoping committee, the committee -- the grant committee here had to really take a look at when they could get this done and 100,000 dollars is not a whole lot of money for what they might need to do on 2 1/2 Street, curb, gutter, sewer, all of those things. So, without knowing -- and Justin Lucas said that they won't know until the end of fall, mid winter, and once

we know that, then, we will have a project that if they can afford it and that they can put in their budget, will be able to trigger that, too, should we have additional funds. If not they can come back to Council next year with a scoped project and say, hey, we would like to continue this project that we came up with and they would already have it done from ACHD. And so we put that in there and since we took some money away from Public Works to make the dollars make sense, we thought that putting Public Works projects for street lights, because we have plenty of areas we can do those as a fall back project, as an earmark for 50,000 dollars, which we don't have and we are not asking for. That's only if another project were to fall through, but the committee did feel that that was an appropriate project to leverage and end up as an infrastructure project to leverage those dollars for should they become available. And it's not Chance Hobbs. So, Doug Crowther of VCD is here and I would like to -- if that's okay I'd like to have him speak a few minutes. I have got some slides from them that they have given me about projects that they had done and what this project actually is, what a low income housing tax project would be here.

De Weerd: Thank you, Sean.

Crowther: Hi. My name is Doug Crowther. I am a member of VCD. We formed a few years ago and one of the main things that we do is for tax credit housing. We've all have experience in it for a long period of time. I've done it since about 2004. Mainly as a project manager and in construction and I still fill that role with VCD. What we try to do -- and where we have focused in on 2 1/2 Street specifically is because what we look for is mainly an in-fill project if we can, within an urban environment, and use the tax credit base as a vehicle to help other development within the area and lift it up and try to take some of that -- you know, areas that are a little more run down or blighted and revamp them and use something that people wouldn't even know, maybe quote, unquote, low income housing to actually bring the property values up and do infrastructure improvements within an area. We did this successfully down at Trailwinds project, which is in Garden City. I don't know if any of you are familiar with that. It was some, you know, mobile home parks that had been half abandoned and the trailers that were in it were run down. We identified the area because of the amenities that were right there. In that case we had the Boys & Girls Club right down the street. We had a school. We had the river and the Greenbelt right there. We had an easy commute to a downtown area and into a core and, plus, the revamping of Garden City, which is kind of -- you know, you have got all that great land that runs up and down the river and a lot of it is pretty heavy industrial, you know, that's switching over and getting abandoned. So, we thought that we could help spur this growth by placing something nice right there down in the middle of it and 2 1/2 Street we see kind of the same opportunity as it's close to your downtown core and there is a lot of walkable amenities within the City of Meridian nearby, so we kind of earmark that as a spot that said, yes, this is the type of area that we would like to come into, build a similar structure. It's not the same. Everything has to be adapted for the environment, but do a -- you know, a

mixed income development there. We find that the mixed income is much better. Try to get some market rates in there. You want to have a good mix of demographic of people. You know, it's much more successful to see that type of thing. And in that with -- down at -- and you see a full rendering of what's happening across the street now from Trailwinds, which is the apartment complex and if you look up there on the slide you have the proposed development, which is now fully platted and actually on Monday it's -- you know, it's supposedly a slam dunk, but the plat will be approved for the townhouses and residential that are going in across the street. Sidewalks were expanded. We added new water lines, sewer lines. We did the street trees and the street scape in there and allowed for the area to now have a walkability standard, where before it didn't exist. And so that's -- you can kind of see the same type of concept that we are believing in here to use the CDBG funds to go in and -- and add that type of feel to the neighborhood. We are still kind flip-flopping the complex and trying to make sure we maximize the usability of the -- of the site and, of course, all that will be submitted. I think there was a -- did you get the rendering of -- that we had for this site? You didn't get that?

Kelly: I did not.

Crowther: Okay.

Kelly: That doesn't mean the planners did not.

Crowther: Okay. It would be a taller building here. We would be using, you know, under parking on this case to try to make sure that we meet the demands of the -- the parking infrastructure here. But it would be in similar style most likely. The units would be the same and I would invite anybody to come down and take a look at them. I mean they are pretty nice. And hopefully with that, you know, you would increase the ability for your downtown plan to get moved forward with, you know, some residents in a -- in a denser neighborhood that could actually utilize the city of downtown Meridian and so everything comes out to be a win-win, so that --

De Weerd: Doug, where is -- where is that?

Crowther: For this year?

De Weerd: Uh-huh.

Crowther: This is the future. That's across the street from Trailwinds and those are townhouses. They are market rate and that's going to be put in through Parkway Station, which I had a lot to do with the planning of that and, you know, it was an investment that I felt that was, you know, very viable given -- put Trailwinds in and I'm a businessman, I want to take advantage of, you know, the infrastructure that's being put in and also work with Garden City to produce those

townhouses there, you know, which will be -- they will probably be in about the 270,000 dollar range right there and that's kind of a nice improvement from what it is right now, which is a commercial zone, which -- you know, my office was in there for months. An abandoned building, but, you know, it -- so, it's trying to demonstrate the growth that can happen out of it and I don't know what other questions you guys have about this type of development, but willing to ask them -- or answer anything.

De Weerd: Questions from Council? Mr. Palmer.

Palmer: Madam Mayor. A question, actually, for police. How busy is your department with the 2 1/2 Street area?

Stokes: Councilman Palmer, Mayor, it's no different than I guess some of our other apartments. It comes and goes. So, it's been busy at times and not so bad at others, if that helps.

Palmer: Follow up, Madam Mayor. Would you anticipate it being busier than normal with low income housing, as opposed to any other apartment development?

Stokes: Mayor, Councilman Palmer, it really depends on who occupies those residents. I don't know that I can say or predict how it would be. I know that probably doesn't help, but --

De Weerd: Just because they are high density doesn't mean -- or low income doesn't mean that makes crime more likely or not.

Stokes: Yes. It's very difficult to predict crime.

De Weerd: What is the percentage of low income housing that you have in the project in Garden City?

Crowther: I believe he was correct, at about 60 percent -- oh, in Garden City?

De Weerd: Uh-huh.

Crowther: We only have four out of 64 units that are market rate.

De Weerd: And what is your ratio per -- that you're proposing here?

Crowther: I believe it is around 30 percent. I don't have the proforma in front of me at this moment and I don't want to misspeak.

De Weerd: But similar to what you have in Garden City?

Crowther: It's a little higher market rate here. It's a lower percentage of low-income housing.

De Weerd: Oh. Okay.

Crowther: And one of the things I want to qualify on this -- and when you talk about tax credits, the program itself is different than what they have in Section 8, which is where the -- the people get vouchers and they're paid the rent. One of the main things is, of course, it's much tougher to get into a low income housing complex than it is a market rate. You have to pass the background checks and verify the employment and the qualifications to do so in -- under those compliance departments are much more stringent and so they do vet and I can't tell you that somebody won't move in who is a problem, because you don't know, you know what I mean? Nobody can predict the future. But they go through and they look at things like a felony or something like that and they are disqualified. So, they have to be working families and what they do in lieu of getting the voucher is they physically lower the rent based on your income level between 40 and 60 percent of the area median income, which is one of the bigger demands in the Ada County area. It's gotten to be a pretty bad problem. The vacancy rates are getting pushed really hard. They are full. Trailwind is full. And what it is is that as the economy grows -- we have all talked about the middle class getting out run. Well, the bottom portion of that middle class now gets to be qualified as low income and either it's at that 60 percent range, which is pretty close to a market rate deal and, then, you have the 40 percent, which are the lower end of the bracket in there. So, they're working, they just don't have that one-third ratio that you set up for rent. You know, if you're going to pay a mortgage you're going to do something like that, you only want about a third of your income to go into that and that's getting more and more to be the case where it's 50 percent and that's what this program is for. It really is -- it's kind of a screwy thing that I kind of find out that Reagan is the one who came up with the program in the first place and his whole thing was to slice away a bunch of tax write-offs for corporations, but he wanted to put it in and privatize that whole thing, get rid of the projects run by the government, and put it into the hands of individuals like ourselves and make us own it, so we can't flip it, we can't, you know, build it and turn it over. You're required to hold onto it for a 15 year period minimum and some states they will put in a thing where it has to be operated for 99 years. I think Idaho is 40. So, it has to be under -- operated under those guidelines during that time period and with that private investment you can't play slum lord, you've got to keep it up and Boston Capital or whoever is the big investor out there, makes sure that you can't make enough money on that thing. You have to make -- you know, what you predict on your cash flow you have to keep your debt ratios down and you have to keep it at that parameter and that extra cash has got to go back into it. So, it's -- that's the reason I'm backing it when I looked into it and I said, you know, if I'm going to do this kind of stuff I want to do the right program. So, I do believe in it. So, I am an advocate. And our goal is to specifically do the program the right and that's to put it in where we

feel -- doesn't mean -- it's my opinion, but where does it make sense -- where should this project go, rather than where -- where can it go and a lot of people will say, well, this scores a certain rate and it's great and everything else. I look at this location -- and in the City of Meridian I do see the need through the market studies and everything else that we try to generate and the other thing I see is if this goes in I'm helping the guy right over there down on Main Street and by improving the sidewalk all the way down I'm helping the walkability all the way from Cole Valley all the way up the block and I'm turning it into a neighborhood, rather than what exists at this present day. So, those are the things that we look at in that. You know, as far as like policing and things like that, I guess probably the best thing to say is what did we replace versus what's in there now. Garden City could probably answer some of your questions, you know. I mean they were -- they've had one that went bad. I haven't heard anything bad about what we put in.

De Weerd: No. You definitely have given that -- that area a huge facelift.

Crowther: Yeah.

De Weerd: Clint, I have a question in terms of infrastructure with sewer and water. Are we prepared for the densities that they're suggesting?

Dolsby: Madam Mayor, Members of the Council, it appears that we are. We would have to see the actual development plan to really confirm that we have the capacity available there. If we didn't I'm sure we could probably work with them to get it there though, if we need to.

De Weerd: Thank you. It was your best guess anyway. Any questions for Doug?

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: A couple more. What's your anticipated rent cost for the low-income section?

Crowther: I can't answer that right off the top of my head.

Palmer: Ballpark it.

Crowther: I would say right now a two bedroom at the 40 percent rate is 570 and, then, at the upper rate -- and don't quote me on this, but I believe it's about 750 right now. And that does vary. They come out with new AMLs and they adjust it throughout that time period and that's the max rent you can charge. You know, what they will do they will tell you what the maxes are and, then, you

know, if you're having problems filling them, of course, you can reduce it down just as management, but -- so, you can get a two-bedroom unit -- you know, if you're only making 40 percent of the AMI, you can get a two-bedroom unit for 530 and a one bedroom for 400 and some. So, it's a pretty good deal, you know.

Palmer: Madam Mayor, follow up.

De Weerd: Uh-huh.

Palmer: And you had mentioned tax credits. So, that's -- the tax credits go to the owner of the building to subsidize his profit and the owners of the buildings?

Crowther: The easiest way I can explain it is probably that the federal government will issue a block of tax credits to the state and they will say -- and it's a competitive round. You have to apply for it and get the award and everything else and that's what we are doing right now is we are putting together the -- the basics of a project to do an application and based on that what they will do is they will award you a block of tax credits -- let's say it's 600,000 dollars of it is tax credits. It goes for ten years. So, that's, in essence, worth six million dollars. That's equity that the investor will put in for that dollar's worth of tax credits. So, it's a big down payment on your mortgage, which lowers your debt so you can operate it at these reduced rents. That's the way it works is so that your mortgage payment isn't very big you can actually reduce your rent load. So, that's how it -- does that answer the question?

Palmer: Madam Mayor, if I may. That does answer my question and, frankly, it horrifies me. I have a tendency to be fairly blunt and so I would say, please, take your project elsewhere. I -- I could never vote for the subsidized housing in Meridian. I mean Meridian is what it is because -- I don't know if we have it, but we certainly couldn't have very much of it for us to maintain what we have. So, I love it at Boise, Garden City, Nampa, anywhere else that wants it can have it. I don't want to here.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Madam Mayor, I think maybe my question is more for staff now at this point.

De Weerd: Okay. Thank you. And, remember, you heard just one Council Member that said that.

Crowther: That's okay. It's America, so --

De Weerd: Any other questions for Doug before he sits down?

Cavener: Madam Mayor, maybe one. And this is either for Doug or for staff. Doug, if I understand correctly, in order for this project to move forward you would have to receive some funding from CDBG; is that accurate?

De Weerd: No.

Cavener: Madam Mayor. So, staff --

Crowther: You know, one is it -- the state looks like -- at it as support, you know, if you get this CDBG and it does help our application to say that, you know, we are applying for these funds and it -- in essence it's a -- it's a commitment by the -- the city itself to invest some in it and then -- you know, so that's -- it's, basically, a plus for us. It's not an absolute requirement.

Cavener: Madam Mayor, follow up, then. So, Doug, if I understand correctly, if you weren't to be awarded any CDBG funds you would still be able to move forward with this project?

Crowther: Where it would hurt more is in the infrastructure improvements that we would try to make.

Cavener: Sure.

Crowther: And the commitments that we would make with the city and, you know, I believe we were going to come back to you about some TIF financing perhaps that we might work with, which is what we did in Garden City is we did replace, you know, the waterline through the street that helped -- it was on their five year replacement plan, we just moved that forward. We did the work and, then, they are going to pay us back through some TIF financing and their sewer line is the same and, then, you know, the sidewalks and, then, on Adam Street had some work done to it also. So, there was cooperation between both of us --

Cavener: Okay.

Crowther: -- in that and that's, in essence, what this is about.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: So, if you were awarded this money you still have another application to fill out, so that doesn't mean that you're even moving forward with your project at all, unless you are granted these tax credits?

Crowther: Yes. At this time the way it's structured that's the way it would go. I mean we would try to restructure the thing if we can. I mean we -- you know, I believe in the project. This is a good vehicle, plus we are able to partner with a non-profit, which is the housing company that -- you know, they also manage the project at the same time, so they own and manage and so that type of partnership right now is, you know, basically, our operating structure is we locate these things and try to make sure it's the right type of project and, then, we walk it right through all the way and, then, you know, we got -- you know, we stay in an ownership capacity, so we get a little bit of cash flow from it, but it's -- it's pretty minimal.

De Weerd: Anything further? Thank you.

Crowther: Thank you.

Kelly: Madam Mayor, a couple things in clarification. Yes, we do have several low income housing slash subsidized housing projects within the City of Meridian themselves. We also have hundreds of housing vouchers or other subsidized forms from the Housing Authority that are sight unseen, because we don't know where they are, because they live next door to you. So, just to be clear that we do have those types of programs that are operating here. They do exist. So, just to make that clarification.

De Weerd: Well, Sean, I think it's also important to note that because of the requirements to get the vouchers and to rent in these areas, they do background checks and you have a little bit more scrubbing than you have in other rentals or apartments and single-family homes.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: And while background checks may help prevent some future crime being moved in, it does -- it says nothing about, you know, the people's ability to maintain what's provided to them. When they have very little ownership over it -- over what -- what surrounds them, it's not theirs, they typically don't care about it.

Kelly: Madam Mayor? Madam Mayor, Councilman, I think that we can get some information from VCD, but the reason why they partner with the housing company is that they oversee that process and because they are able to reinvest, if I'm -- over a period of time to keep the broken window from not being broken, to keep the facades up, the roofs on, and to keep them looking -- it's also why they have the market rate on the other side of that to have the -- the larger and nicer apartment on the other side to not separate just simply low-income people into one building, but they have -- there is a little bit more of a mixture there. So, there is an incentive there. If nothing else, then, on the developer's part.

Crowther: You know -- and I would like to, you know, comment on that to a certain extent just from personal experience. Okay? It's not studies or anything else. My personal experience before I moved into tax credit projects -- I was in landscape construction for a long time and, then, became a project manager and one of the larger projects I worked on was the conversion of 208 market-rate units up in the Boise foothills -- it's off of Brumbach and it used to be the Central Park Apartments and I made the joke that I used to party up there in college and it hadn't changed. The complex -- you know, one of the guys that asked me why did the guy buy it and I said I don't know and he's also in development and he said you don't have enough fingers for that dike. It -- it was full market rate, but the investors who owned it were back in Chicago and they didn't care what that property looked like, as long as they were getting the cap rate at the desirable level to sell it and the biggest change that we made -- luckily the guy who bought it was very invested in it. It was a large purchase for him, he paid millions and millions of dollars for this thing, and what we did was instantly put a red tag on every vehicle that was sitting up on blocks. We tore out all what I called the rapist bushes, you know, big overgrown things. Started cleaning it up and the people who wanted to live a bad life left. They hated it. And they bitched and they moaned and they complained and the people who wanted to be decent loved it and those people stayed, because they saw this positive enforcement going on and that's the culture of the neighborhood or it's a culture of a city or it's the culture of any place and now when you -- when you move a person into a decent environment and they are told -- and they see the grounds are kept up and it's clean, there is pressure -- there is peer pressure to keep it up. Now, I'm not going to tell you that somebody's not going to move in and trash a unit. I guarantee you're going to get a few of that. But the management company's responsibility is to upkeep that under the private sector and I take it very personally as an owner to go in there and if I don't see it kept up, do you think I'm going to sit back and say I don't care. Frankly, sir, that's -- it is insulting in that regard that, you know, just because a person can't make enough to pay anymore is a fine line in today's economy. These people don't make 10,000 dollars a year. We are talking about 35, 36 thousand dollars a year that fall into this type of income bracket. So, if the culture is not maintained you come after and you come after the housing company and you tell them to keep the decent people living there and you get the riff-raff out and that's like just -- I'm betting you have people in your neighborhood that you go I wish he would take care of his yard. There are a lot of people that are working pretty hard trying to get out of that stuff and some of them work for cities and a lot of your employees and even police officers fall under that category. So, you know, let's -- let's not say that they are just -- it's going to go downhill. These things look nicer than that stuff that I went and took care of. A lot nicer. You know, I've had these officers come by and help me clean up crack houses.

De Weerd: Thank you, Doug.

Kelly: Madam Mayor. So, since that's the last case we had to talk about and I just want to make sure that everyone understands, I'm not an advocate, I like some of these projects, but I'm here to make sure that the information flows and that you guys get the right information. If I don't have it I will run it down for you. So, just want to make sure the facts are known. Do we have any questions for me or any information from Council that I'd like to take away with to go find information?

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: A couple questions and, then, make some comments. Sean, the first one is related to -- to Care Enough To Share and, then, the 1,500. Can you articulate -- is there a tipping point for you with the amount of time that it takes for you to be involved in a project, the amount of money that we are choosing to allocate? Is there a -- and cost-benefit isn't maybe the right term, but the amount of your time, recognizing you're not a full-time that you're focused in on this -- where is that sweet spot at.

Kelly: Madam Mayor, Councilman, I think that there is a bit of a tipping point, but it has nothing to do with the dollar, just so we are clear, that it doesn't matter if it's a hundred thousand or a thousand. I think we talked about this a little bit. It's the -- it's the amount that that thousand dollars makes me work on and how many hours I spend of my working hours trying to make sure that that project runs smoothly. I know that -- I know that I can say from -- from my boss' standpoint it is something that he is definitely cautious of to make sure that if I'm going to be spending that much time on a project are we getting the same amount of return from the -- from that actual project and so is a thousand dollars going to tip that? For a project like that I don't think it would, because it's -- it would be in the -- it would be in the cataloging that parks would do. It would be in how they maintained that information, so that it's acceptable. So, if I came up there at any given time and -- or whenever they submit a draw request, which is probably the better example, when they submit a draw request to get a reimbursement for 75 dollars or 125 dollars, whatever that might be for that month, how long that would take me to go through and I can't answer that. I can tell you that I've done it for the Boys & Girls Club before for SANE scholarship program and because they did it quarterly it was a little arduous going through each individual, you know, young person that was in that program and making sure that they were, yes, low income, that they did have this much money, this is how much they spent, but since that was one time, but we are also talking a larger dollar amount for that hour and a half I might have spent going through that. So, I don't know if that answers your question, but I'm just trying to give you an idea of what it would take for me to actually go through a process like that and that has nothing to do with setting up the project, making sure that it's in the system and, then, tracking

that through the CAPER and all of the other resources that I would have to expend doing that. So, it would be a lot.

Cavener: Okay. Madam Mayor, an additional question if I may. Maybe some clarification. In the scoring committee meetings there was some substantial discussion about that CDBG funding would really be required for the project that we have discussed so much tonight to move forward. It sounds like maybe that's not the case. Can you just provide some clarity for the Council on is it required or is it not required?

Kelly: Madam Mayor, Council Cavener, can you --

Cavener: The low income -- in the scoring committee that was a -- a large subject of discussion amongst the scoring committee was that in order for this presented project, the low income housing, to move forward it would require CDBG funding at that 50,000 dollar level. It sounds like tonight from the applicant that that's not the case and I'm just trying to get -- I think it's important for Council to have some clarity on that issue tonight.

Kelly: I understand. Madam Mayor, Councilman, I think that the -- from my point of view from my understanding with Chance Hobbs, the individual that was originally going to be here, it may not have stopped them from moving forward, it would have depreciated their chances and you can -- it would depreciate their chances going through IHFA, because if you're going to answer -- and, again, this is not my words, but answering every single check block on that application, if you are not answering check block number two, I'm moving on to another application that has all five check blocks and so as a method of let's go with the full packet, I think that that is correct and I think they would agree that they would -- that a full packet would be what they -- if they had no other -- no other applicants that met that same standard would they still move forward? I imagine they would. If that clarifies it.

Cavener: Great. Thank you.

De Weerd: And, remember, you're not making that decision tonight. It would be for the list for public comment to allow people to weigh in.

Kelly: Thank you, Madam Mayor.

De Weerd: Any other questions for Sean? Okay. Thanks for your time and also thank you for pulling together a good mix and looking at the different applications and bringing us back some projects that are a little bit different and giving us time to chew on it.

Kelly: Madam Mayor, if nothing else, I will try to bring you as many out-of-the-box things, but qualifiable things, so that everybody gets a good idea of what we

can actually do with the program, so that if we decide to do the same old same old and the one trick pony stuff, we can do that, but I want to make sure that we are bringing other things, so that people can look at what -- what we are able to do and if that fits Meridian, then, I would hope that Council would want to do that.

Item 9: Department Reports

A. Parks and Recreation Department: Lakeview Golf Course Green #9 Improvements Update/Closeout

De Weerd: Thank you. Okay. Under Department Reports we have 9-A under our Parks and Recreation Department. The Department of Fun.

Siddoway: Thank you, Madam Mayor, Members of the Council. Before you tonight to give a project update and close out the discussions about the improvements to the No. 9 green, I have a brief presentation that I think is on its way. There we go. Okay. So, I will give you the project update, let you know what's been done and close that out. Also I want to recognize that Eric Oaas is here in the audience and available for any questions. But as of the motion made by Council last fall, the onus was on the department, the administrative level, to do the review and come back and report. So, I'm here tonight. So, the Lakeview Golf Course No. 9 green project was approved by Council on October 13th of 2015. The form was submitted and this is just a copy of the front page, signed by the Mayor after the Council did approve the project for potential rent relief. The motion that was made, if you'll remember, was that if the cost of the improvements -- the capital improvements to the -- to the course were over 8,000 dollars it would be eligible for a hundred percent rent relief and if that project was under 8,000 dollars it would be eligible for 50 percent rent relief. There was also a requirement to have staff go out and inspect the improvements and verify all of the expenses to the project. So, the project was completed and we conducted an on-site inspection just a couple of weeks ago on June 24th. A copy of that -- or some pictures of the new green are there in the photos taken on that day. Mike Barton and I from the Parks and Recreation Department went out and met with Erik Oaas on the site. You can even still see, if you look closely, some of the lines in the green where the sod is stitched back together, but it looks like it is coming together well. The next part of that was the verification of the -- the finances and the documentation. Finance has reviewed all of the items submitted by Mr. Oaas and has approved them on June 30th last week and copies of all of these -- the detailed copies of all these items are part of your packet. There should be a -- a copy of a check for every invoice that was part of -- of those expenses. There was also quite a discussion at the Council meeting back in October as to whether golf course staff time spent on the project should count and reviewing the minutes and having legal review them with me, they were determined that it -- it was approved to have them count, they just had to document all of the time with everything up to including timesheets and those are also included in your packets and have been reviewed by Finance. So, in

summary, we have reviewed the costs and verified them with -- with Finance. The total is a little over 9,000, which meets the requirement of being over 8,000 to be eligible for up to a hundred percent rent relief, which is 6,000 dollars. They seem to have met all of the requirements placed on the project by Council last fall. Our recommendation to you is for approval of the project for the requested rent relief. There is a form that is part of your package that is available if approved for the Mayor to sign and the Clerk to attest and with that I will stand for any questions.

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

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I think I know the answer, but Timberstone, was that the general contractor?

Siddoway: They were the general contractor for the -- the improvement of the green.

Bird: And, plus, we had another 1,300 in staff payroll?

Siddoway: Only about 200 dollars of that 1,300 would be necessary to meet the 8,000 dollar requirement, but he was --

Bird: I realize that.

Siddoway: Yeah.

Bird: And, then, what's a Jag tool? We used one on October 28th and, then, we come back and used one on May 27th?

Siddoway: I believe that's the name of the -- have to look up the --

De Weerd: Erik is there to back you up if you need --

Siddoway: Erik, do you want to come up?

Bird: Tell me what a jag tool is.

Siddoway: I believe it's the name of a company.

Bird: I have heard of a lot of tools, but --

Oaas: It's just a rental agency -- rental company. JAG.

Bird: Oh. Okay.

Oaas: We rented some equipment from them.

Bird: Okay.

De Weerd: And that's Erik Oaas for the record.

Bird: Okay. Thank you.

De Weerd: A new kind of funky thing called a company.

Bird: JAG.

Siddoway: JAG Tool was the name of the company. It looks like it was for a pipe puller and a walk behind trencher.

Milam: Madam Mayor?

De Weerd: Mrs. Milam.

Milam: What was the completion date?

Siddoway: Well, we were -- we received the letter on June 10th, but most of the work was done last fall and, then, it was -- everything was completed in May this year.

De Weerd: Any other questions? Okay.

Siddoway: Thank you.

De Weerd: So, we do need Council action.

Bird: Yes.

Little Roberts: Madam Mayor?

De Weerd: Yes.

Little Roberts: I move -- I move that we accept the reconstruction of the green as recommended.

De Weerd: And also the rent --

Little Roberts: For the rent.

De Weerd: -- waiver.

Little Roberts: For the golf course rent.

Bird: For a hundred percent.

Siddoway: Yeah. In the amount of 6,000 dollars. So, that would be good to -- we need to fill that in in the form, the amount of the rent relief.

Little Roberts: In lieu of the 6,000 dollar rent?

Bird: No, not in lieu.

Borton: Granting the relief.

Bird: Yeah. In lieu of the rent.

Siddoway: Yes.

De Weerd: Okay.

Borton: Second.

De Weerd: I have a motion and a second. Any discussion?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I just want to applaud Erik and his crew and Steve and Rita and the team with Finance. The intent of this was to -- to incentivize capital improvements in a city asset, have some notice to the city, get some tentative approval and guidelines and, then, have this verification process with Finance and your department. That has worked extremely well and it's not done last minute. It's not done in September. It's just great timing and a great process. I have seen the green. I think it looks fantastic and if there is opportunities in future years to make new capital -- true capital improvements like that, that's exactly what the city intends you to do. So, to each piece of the puzzle that made it happen, greatly appreciated.

Siddoway: Thank you.

De Weerd: Okay. Any other comments from Council? Madam Clerk.

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

De Weerd: All ayes. Motion carried.

MOTION CARRIED: ALL AYES

De Weerd: Erik, did you want to make any comment? I saw you kind of rise up in your seat.

Oaas: Madam Mayor, Erik Oaas of 4200 West Talamore Boulevard. Madam Mayor, Council, I just appreciate your comments, Councilman Borton, and thank you for your support and the green turned out just great. Thank you.

B. Mayor's Office: Budget Amendment for Ball at the Hall and the Meridian Youth Farmer's Market for the Not-to-Exceed Amount of \$1,921.00

De Weerd: Thank you. Okay. Item 9-B is -- 9-B and C are both under the Mayor's office for a budget amendment. Many of our activities are conducted through sponsorships and money raised and this is no exception.

Simison: Thank you, Madam Mayor, Members of the Council. The first amendment you have before you is for 1,921 dollars. These were funds -- they were both raised by MYAC at their annual Ball at the Hall events. Those funds were originally to be designated for their Youth Summit that they hold in the fall, but as they believe they secured the 5,000 dollar sponsorship from Idaho Power for that event, they would like to redirect those funds towards the participatory budgeting project to enhance that project by those additional funds. It's also repaying the monies that were used out of the Teen Activities Council budget. In addition, we received 600 dollars from the Ada County Farm Bureau to -- in appreciation of the efforts for the Youth Farmers Market and, again, those funds are being dedicated into the Parks Department to help make that a successful event for the remainder of the year. So, with that all these funds are received, but there was still 90 dollars outstanding that we expect to be collecting from participants, but other than that I would stand for any questions.

De Weerd: Thank you, Robert.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Robert, on the application we got in our file two of the signatures are not there. Is yours complete? Is it complete?

De Weerd: Yes.

Bird: Okay. I was just clarifying it.

De Weerd: Well, the important one is yours, Keith.

Bird: No. That isn't the important one. Chief finance --

De Weerd: I signed it this morning after Todd did --

Bird: Okay.

De Weerd: -- and I was gone Friday afternoon. Any other questions? Okay.

Bird: No more questions, Mayor, I -- Madam Mayor?

De Weerd: Yes.

Bird: I move we approve the budget amendment for Ball at the Hall and the Meridian Youth Farmers Market not to exceed amount of 1,921 dollars.

Milam: Second.

Borton: Second.

De Weerd: I have a motion and a second to approve the budget amendment under 9-B. If there is no discussion, Madam Clerk.

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

De Weerd: All ayes.

MOTION CARRIED: ALL AYES

C. Mayor's Office: Budget Amendment for the High Five Grant Project for the Not-to-Exceed Amount of \$20,000.00

Simison: Thank you, Madam Mayor, Members of the Council. The second one before you is a 20,000 dollar budget amendment. This is the funds that we received from the Blue Cross of Idaho foundation as part of our High Five grant city recognition. We receive these -- well, the funds just came in this year. Blue Cross of Idaho had been holding them. We had originally thought that we might be carrying forward them until next year. However, with a couple of opportunities that have come up we would like to get spending authority for these funds as we

work on opportunities for this budget year, which could include additional funds for the participatory budgeting project, as well as an item we are working with on the library -- Meridian Library District for a possible bike rental program. We would like to be able to move forward with either of those given the opportunity this year and ask for that spending authority of this time. I would be happy to answer any questions.

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

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Question for legal or for Robert. For either of those potential options, would those come back as amendments, then, to us for review or if we are granting spending authority tonight will we see those at a later point in time?

Simison: Madam Mayor. On the -- if we were to move forward with something with the Meridian Library District it would be an agreement of some fashion, that that would come back before Council if that was the case. If it was the participatory budgeting item I don't know where that stands in the dialogue, if that one would need to come back or not.

De Weerd: I guess it would come back in -- in terms of an update. We have to get it authorized by Blue Cross, who the grant is from, that these would be expended per the intent of the grant, which was to -- to enhance the health and activity of school-age kids and both these projects would fall under that. We have had original conversations. We are trying to see what kind of funding gap there is to fill in terms of building the fitness feature that the teen -- the youth council chose for their participatory budgeting process. We also have further work to do in flushing out the bicycle program with the library and perhaps the -- the private partners to that and managing that. So, there is still some moving parts, but the deadline for our Finance Department is the end of June and so that's -- that's why you don't have specifics in terms of cost allocation.

Cavener: Madam Mayor, follow up then?

De Weerd: Uh-huh.

Cavener: If I remember correctly, wasn't this grant designed for tents for the Youth Farmers Market?

De Weerd: We received 30,000 dollars. Of that 30,000 dollars 10,000 was dedicated towards the Meridian Youth Farmers Market to buy tents and tables. That money has been expended and that is why we have a uniform look at the Youth Farmers Market and our youth vendors don't have to have their own.

Cavener: Sure.

Palmer: Madam Mayor?

De Weerd: Yes, Mr. Palmer.

Palmer: Madam Mayor and Robert, a question. Sorry. Our fancy government system it's sideways, so -- difficult to read. On question two on the back, it says the request is anticipated to be at no cost to the city. Is there any circumstance that the -- that it would become at all a cost of the city? The word anticipated scares me just a little bit.

De Weerd: No.

Palmer: Works for me.

De Weerd: Any other questions?

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: Hearing none, I move we approve the budget amendment for the High Five grant project for the not to exceed amount of 20,000 dollars.

Milam: Second.

De Weerd: I have a motion and a second. Any discussion? Madam Clerk, will you call roll.

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

De Weerd: All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

Simison: Thank you.

**D. Mayor's Office: Potential Use of Former Parks
Maintenance Facility**

De Weerd: Thank you, Robert. Item 9-D is also under the Mayor's Office. Council, we do have a piece of property that I spoke with our City Council President about in terms of its use and as you know from the survey that we

recently participated in, there is a great interest in a permanent home for our History Center and the potential of a children's museum. We have a parks and maintenance facility that's owned by our Public Works Department across the street on Meridian Road and while we have talked with previous councils on several different ideas, it was recently discussed that this would be a good potential for the future permanent home of the History Center and a potential children's museum. So, I did want to put that out, get you thinking about it. It would be one of those destinations for downtown and also as we saw on the survey, certainly an interest of the community, as well as a working group that we have focused on a children's museum and to bring that to Meridian. So, I don't know if you have any discussion. I wanted to plant the seed as an opportunity and turn this over to our -- our work group that's considering the children's museum to see if this has great potential to -- as an ideal location for this kind of a feature in our community. I would be willing to entertain any questions. It's actually just planting an idea at this time.

Palmer: Madam Mayor?

De Weerd: Yes.

Palmer: I'm just a contrary person today. I see a lot of formerly used city property as going on to be other things that are not the proper role of government and so if we can't find something that would be more -- the proper role of government I would like to see us sell it -- if it's something worth doing or move on in some other way and stop just maintaining land that -- that wasn't -- isn't being used for its original purposing or by the city.

De Weerd: Okay.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: Does this idea have a potential price tag associated with it? I think that's -- a hard idea for me to wrap my head around not knowing if it costs X or X squared or X cubed.

De Weerd: Certainly before we spent any time exploring I would like more of a direction from Council that -- I don't want to waste staff time in seeing what it would take to bring it up at least to even have something in it and, then, at that point I think our responsibility could be done. I think that our attorney's office has looked into -- you can't just gift or -- to a nonprofit, you can turn it over to MDC to -- for them to -- to look at the best use that would make a destination for downtown and, then, they -- it would be in their court. Otherwise, it would go up to auction as Councilman Palmer suggested.

Milam: Madam Mayor?

De Weerd: Yes.

Milam: I think it's a great idea. I think it would have a -- add a lot to our downtown, but as Councilman Cavener said, really depending on the price tag, but to me it sounds like an amazing community partnership idea. So, the route that I would want to go would be to -- you know, finding somebody that wants to work with us and consumes that initial funding, since we have the land.

De Weerd: Again, you know, it was -- it was an idea that stemmed from the survey and putting into this city asset to be in something that was of value to our community, that answers one of those community desires. It also addresses a permanent home for the History Center that's in City Hall that we need that space in the near-term and that history center has become a very integral part to the city and celebrating the roots of -- of our community. So, it kind of was able to address several different things and -- and certainly help lend towards that long-term goal of our downtown being a destination, a place where people come to and so, again, it's just planting a seed to start the conversation. If Council has an interest in learning more we can come back with some numbers after we have the facility looked at to see what would need to be done minimally to bring it up to something that's not -- not Class A, but at least something that is tied to the city and -- and the roof doesn't leak and the toilets flush and there's no critters in there, so --

Little Roberts: Madam Mayor?

De Weerd: Mrs. Little Roberts.

Little Roberts: Because it was such an important part of the survey I would definitely like to see us at least get some numbers. The potential community partner I think is a great idea. We have a pretty full committee that is working on this type of center and things, so I think that definitely some numbers and at least the next step would be warranted. I also know that our planning department could use some extra room if the -- the history -- could be relocated at a convenient spot and still be utilized by our community.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I, too, have been complaining for the last couple of years, either do something with it or get it on the market. I don't like it just sitting over there. I think that the Mayor come up with a very very good idea to look into. Those are both very good uses we need and as far as giving away -- or using stuff properly, I think while I've been on the Council here we have -- we have donated in excess

of -- I think it's been four fire engines that we paid five or six hundred thousand for, so -- and I don't know how many computers that we have bought and donated away. So, I don't -- I don't look at it as that being bad. I do think that the Mayor said right, we need to find somebody that is willing to get a 501(3)(c) and -- or --

De Weerd: (c)(3).

Bird: -- and start looking at it -- I don't see this as any different than -- than the civic center that we've been looking at, other than I think this is a doable deal and if it isn't doable and we don't want to do it, then, I want it on the market. I want it off the market -- I mean on the market and off our tax -- on the tax rolls. I will get my tongue straight here in a minute.

De Weerd: Well, I hear at least enough of you stating come back with some numbers and let's continue the conversation. Okay.

Cavener: Madam Mayor?

De Weerd: Mr. Cavener.

Cavener: I guess I want to make sure that I'm fairly clear. To your comment that you don't want to waste staff time and resources on something that if there is not an appetite from Council has me even more convinced that it sounds like it's a great project and a great idea, but maybe just not the right time and maybe it's because we are in -- we are in budget season and we are well aware of our needs of fire stations and police training resources and I start to negotiate where dollars should best be spent and, man, I love the idea of a children's museum and of a more permanent home for our historical society, but I almost have to agree with Councilman Palmer, if -- and Councilman Bird, if we don't have a use that can go in right now turn key and move on, then, maybe we should get it on the market. So, I would hate to waste staff resources and time where I feel probably in six months if they came back and say it's going to cost a million dollars, five million dollars, ten million dollars that I would be opposed to it.

Milam: But we don't know what --

Cavener: But is it a million dollars, are you, then, okay with it?

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: My -- my thought is I don't want to put any city money in it. I mean we are donating the property. I'm like the Mayor -- yeah, I'd like to go over there and make sure we are donating something that isn't over everybody's head. But my

thought is it gets somebody excited. Given -- given a location that -- that is the city's donation in my opinion and, then, having -- I mean I can name you a dozen things in Meridian that's been done that way, only it wasn't city property, it was somebody's property. The speedway purchased property and somebody put it together. So, anyway, I -- but you have got to have some kind of an idea and at least -- at least she brought something forward to do something with it and if we are not going to do something with it I want it listed tomorrow and I have been harping that for two years. At least we got something to think about.

De Weerd: Well, Public Works put together some numbers a couple years ago that can be polished up -- and we can set this back on an agenda sometime. After perhaps our -- our work group on the children's museum can take a look at it and see if it's something that they would be interested in fund raising for and that sort of thing as well.

Milam: Madam Mayor?

De Weerd: Yes.

Milam: I agree with that and I -- I think it would be a lot easier to obtain community partners if we had some -- at least rough kind of numbers that they are looking at, as opposed to just saying, hey, build a museum, we will give you a building. So, I think that would be really helpful for the conversation.

Palmer: Madam Mayor?

De Weerd: Mr. Palmer.

Palmer: Madam Mayor, whatever the numbers are, some of us are crunching hard to find 781,000 to fund the things that we feel are important that were unfunded and not have to increase taxes on the taxpayers. I don't know when the last time we sold a significant piece of property was, I just see things like old city hall, other properties that the city owns all over downtown, that we just converted into other things that continue to be expenses to the taxpayers and I think, hey, let's take the opportunity, sell it, let somebody else find a private use for it, make some money on it, and pay taxes on it. That will help make up for some of the 781,000 we are looking to have everyone else pay.

De Weerd: Any other comments?

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I'm listening first. I'm using my card. I am -- I am -- hearing all the comments from my perspective would be extremely cautious and initially

reluctant and in all candor to staff that may be tasked with going forward on something like that, that that type of project would truly rise to the level of necessitating city funding in light of the other expenses that some of the other council members have brought up and we are particularly sensitive to it at the budget time, but that -- it would take a lot of analysis for me to get my head around how something like that would truly be viable and make sense fiscally for the city to do, so I struggle with that and the idea of some department within the city -- if there is space in City Hall that is lacking that comes as a surprise to me, too. So, that's maybe something else to explore. That would shock me if that were, in fact, the case, so -- that we would need space. So, those two things would -- they give me great pause. If there is additional data I would always love to see it, but I would struggle seeing how that would be a good project to bring forward right now.

De Weerd: I appreciate your comments. I don't think I mentioned anything about asking for funds for it. It was really to look is this something that can be turned over and would they be interested in accepting that kind of thing to really start fundraising and have a place that people can, then, visualize it, which always makes fundraising easier. In terms of the History Center, it's -- that's always been a temporary quarters for it, that some day as community development grows that that is the area they grow into. We have, since one of our Historical Preservation Commission members have passed away, been talking about looking at that permanent place, so that they are not passed from the former old high school, to City Hall, to a closet somewhere, to give them a permanent home and a place where -- where people say, oh, yeah, there is the History Center and let's go check it out. So, it's -- it's in more in the spirit of finding a permanent home, an opportunity, and seeing what the appetite of City Council was to that. And if Council -- if Council would entertain looking at that as a potential site and doesn't want to bring it up to a standard that we would expect our buildings to be in, we can just -- if there is the appetite for the location itself, say for the workgroup to consider it as is and that they would need to bring it up to whatever standard they would like to see it in. So, those -- again, I was planting a seed. Didn't anticipate having a lengthy discussion on it, but seeing what the appetite was and so I feel like I'm at the same point I was when I started this conversation. Maybe a little bit less -- or more fuzzy.

Borton: Madam Mayor?

De Weerd: Mr. Borton.

Borton: I thought there was great clarity in the comments and great candor that people are generally extremely cautious that something like that could be a viable project to entertain and that it could truly be done without cost to the city. I mean it's not a business model that allows one of those things to operate absent government subsidies, it's just whether or not the government entity believes it's necessary to subsidize that use. So, if it exists I think it truly does exist with

government subsidy. The question is whether this city is willing to cross that line at this point in light of the growth demands that it has in its other more core services, that's what I'm uncertain of. I think Councilman Cavener captured it pretty -- pretty well when he spoke to us. It's a wonderful community asset and can be extremely valuable, but you have to balance those costs with some of the other costs that we are trying to cover that might be more core community functions, so I thought it was -- for me at least it was -- it was a good conversation and there is more data to gather to try and articulate what that -- not only the capital improvement costs, but the subsidy for its operations, that's great data to learn, but as long as we are all up front about any hesitation that it could actually work.

De Weerd: I think that maybe Frank can correct me, but when they were in the old high school the Meridian Historical Society funded the -- the operations when they were over there. The city has a line item for the Historical Preservation Society, which has also funded a work study at particular times when they needed research, but other than that I don't recall subsidizing any operational costs from the city. The Meridian Historical Society does have a 501(c)(3). The Children's Museum work group has talked about the need to establish a 501(c)(3) so they could raise funds. They've had individuals like the Discovery Center representative on there that has brought perspective on that aspect of it. I don't believe that the Children's Museum or the History Center has had any expectation of any assistance from the city. So, I don't -- we haven't set a precedence on that and I don't anticipate that we would.

Cavener: Madam Mayor, then -- if I may have a comment. Maybe some additional feedback that would be great is a demonstration of children's museums or museums in general that are self-sufficient, that don't really depend on local or state subsidies to cover their operations would be beneficial. I'm not aware of one of those that exists, but potentially they are out there.

De Weerd: They have all kinds of models that they have brought to the discussion. This really wasn't a presentation from the Children's Museum group, it was just the appetite of giving them perhaps a location that they could create what they would like to bring to this community. As Councilman Bird said, that would be the city's contribution to bringing that asset into our downtown. I have no proposal for long-term subsidies or anything like that, when we -- and it would even be different from I think Mo Brooks Field in Storey Park, we wouldn't maintain it, we wouldn't do any of that. This would be -- this is for a community asset, it's the community's, not the city's, so -- so, I feel like I have a split on three are open for more information and three are -- one is not at all -- at least I never have to worry about what Ty thinks. At least he tells me. I'm not sure about Council Member Cavener or Council Member Borton.

Cavener: Madam Mayor, if you're asking -- again, you planted a germ of an idea, but if you're asking me to make a decision today, my decision -- my recommendation would be to put it on the market.

De Weerd: Okay.

Cavener: In light of the discussion that we have had here, that would be my -- today --

De Weerd: Okay. So, just further context, this property cannot continue to look the way it is, so I have told our staff either we -- we have to make a decision. This can be an opportunity for a location for a permanent History Center slash Children's Museum or whatever. It can be put on the for sale list, but it has a dead piece of property -- or piece of grass in front of it. It's -- the shed next to it is looking really bad. That's a city piece of property and we either need to take care of it, get rid of it, or turn it over to someone who will. So, I -- we can delay it longer and it's going to look even worse and that doesn't look good on the city. So, that's the whole reason I came up with this idea is we have to do something with it.

Cavener: Madam Mayor? That property has been in that state for three years?

De Weerd: Not quite three years, but --

Cavener: Three years this summer?

De Weerd: -- it's getting worse with less -- with no attention.

Cavener: Then I guess I would -- that only motivates me more to say let's put out a viable plan presented before us, all the more reason to dispose of the property that we no longer need.

De Weerd: I'm asking you to come back with a viable plan or -- you know, I don't care. Just -- I don't care. What would you like to do?

Borton: Madam Mayor, I --

De Weerd: Yes, Mr. Borton.

Borton: It's just describing reluctance, but you have also shared information that that, again -- for me I had not heard this before, so it's the first time to consider it.

De Weerd: I didn't really want to have a conversation about it either. Otherwise I would have been more prepared.

Borton: But, Madam Mayor, it's helpful I think to hear even off-the-cuff comments. If there is more information like you've described about individuals in a work group who -- who maybe have already internally discussed how they may operate it and/or fundraise it and -- and the limits on any commitment of what the city may be asked in the future to provide, things like that, I would love to know all that. We don't have that today, it's not part of today's discussion, but that would be helpful to give you a more refined opinion on whether it should go forward.

De Weerd: And I would agree with you, but before I offer that as an idea I wanted to make sure -- I didn't want to say, hey, this is an idea, Council -- that Council -- that Council could shoot down at the next meeting. So, if there is an open to the discussion, then, we would like to initiate the discussion with the appropriate parties.

Borton: Madam Mayor, I don't know what part of the three I was on, but I -- I'm open to the discussion.

De Weerd: Okay.

Borton: Certainly. I mean I love digging into the data and the weeds of it. Maybe my reluctance would be overturned with information that's provided. There is certainly not a bright line in the sand on this one, but just very candid with the concern of what I might find.

De Weerd: Or at least be very clear in your expectations that --

Borton: Yes.

De Weerd: -- that if it would be turned over without a dollar spent.

Borton: I would love to continue that discussion.

De Weerd: Okay.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I would -- I agree with that. I absolutely don't want any partnerships, because the partnerships always wind up costing us -- it's -- we turn the property over to them, they get it built. Get it done. That's mine. But I think it's a great idea and let's see if somebody wants to pursue it.

De Weerd: Just wanted to know if it's an idea you would be interested in exploring further and it seems short of one person that, yes, it is.

Palmer: Madam Mayor?

De Weerd: Yes, Mr. Palmer.

Palmer: I wasn't exactly sure where it was, but now that I'm looking at it, that is a sweet piece of land. Let's sell that sucker, turn it into taxable property, and see what cool thing the private sector puts there, instead of us just kind of propping it up or letting somebody else prop it up. I mean like Councilman Borton pointed out, you know, unless we are closing down an art gallery and evicting a congressman, I don't see a big hurry to move it from right there where it brings people into the center of city government an opportunity to learn more about what it is that we do here, just because they came to look at some history they might learn something else about us here when they come. I think it's a great place to house them as long as we can keep them here and sell that and see what cool thing the private sector puts there.

De Weerd: Okay. I was clear on that. Okay. I will put it back on another agenda after it's had conversation with other groups. Thank you for that interesting conversation.

E. Human Resources: FY2017 Benefits Update

De Weerd: Item 9-E, HR.

Barney: Good evening, Mayor and Members of City Council. Thank you for having me. For those of you who don't know, my name is Christena Barney, I'm the HR generalist with the HR department. I handle benefits, leaves, and wellness as my general focus. So, tonight I'm going to go over and give you a benefits update. I will be presenting some information regarding the city's benefits and will touch briefly on the benefit plans as we discuss the 2017 renewals. But the majority of the information provided here tonight is in regards to the medical -- medical benefit. So, in April Crystal and Todd came before you and presented this information. This is just a brief summary of the presentations they presented, both in April and in June. The benefits committee has reconvened in January and has been discussing benefit options and plans for 2017. We have been working hard towards no plan design changes and a possible increase to the HSA contribution. We did go out to market for our medical benefits, our flexible spending and our COBRA services. We budgeted a nine percent placeholder for 2017 and that was based on our experience rating. Five percent of that nine we anticipated for a ACA surcharge. However, we have been informed that we have a reprieve for this year. The actual renewal rates weren't available until June and I will dig into that here in just a moment. And, then, bring a formal recommendation back to you, which is what I'm prepared to do this evening. So, for 2017 our renewal rates are -- are very nice looking. So, Blue Cross came back and they were very competitive. We did go

out to market, as I said. We had five other vendors that provided us medical quotes. They were Blue Cross of Idaho, Regence, Pacific Source, Aetna and Select Health. Blue Cross was competitive in their bid and providing a rate pass, which is a zero percent increase for 2017 and that also allowed us no plan design changes. The pooling point we are still undetermined on whether that is going to move from 150,000 to 225,000 and that just means that any claims above that pooling point are not charged to our experience rating, so it doesn't drive our rates. Both dental providers, Delta Dental and Willamette, as well as BSP and United Heritage, offer -- also offered us a rate pass. For the flexible spending COBRA services we did go out to market on that. We had three vendors that provided us, quotes. However, Primepay was the most competitive. They did offer a two-year rate pass and they did waive the annual fee of 150 dollars for the FSA and 75 dollars for the COBRA services. The EAP services will increase by five percent or 812 dollars for 2017. So, planning for the future. We would like to recommend using that nine percent placeholder as a reserve. The benefits committee is exploring different options, different ways to help control costs. One of those being self funding. We as the benefits committee have discussed self funding for many, many years now. It is a mechanism -- it's a long-term solution and it is a way for us to help control costs, buffer increases, have more flexibility in plan design and there really aren't a whole lot of other options available to us to help control those costs, but self funding is one of those. So, what I want to do this evening is give you a little context. Currently we are fully insured, which means that the medical premiums are determined by the carrier, which is Blue Cross in this case. We have a fixed annual premium. We have fixed costs every year, which include add-in fees, health insurer fee, premium tax. They are built into our premium. The insurer Blue Cross maintains the risk and pays the claims out of the premiums we pay them and any reserves, which means that any premium paid that is not paid out in claims is kept by the carrier. In the self-funded structure, the medical premiums are just simply suggested by the carrier and by our -- Mercer, our benefit broker. The ultimate cost of those benefits are determined by the benefits committee and, then, ultimately approved by City Council. The fixed costs are a little different in that it's admin fees, health insurer fees, and a stop loss premium, which are billed monthly. Premium tax is reduced. The employer maintains the risk and pays the claims out of a trust. Any reserves are held by the employer. So, again, those premiums that we collect are kept by us, if they are not paid out in claims, and this is a long-term solution that many other public agencies use to help stabilized impacts to the budget and the plan structure. So, Mercer provided us some data on self funding. Unfortunately, in the data that they collected -- this is national data. They didn't do the smaller organizations, which is the category that we fall in. So, I asked our benefit broker Mercer to provide data on the smaller companies that they service and of the one to 1,000 range that they cover, 50 percent of their clients are self funded, just to kind of give you an idea and the scope of things. So, I also want to give you an idea of what other agencies in Idaho are doing. City of Pocatello and city of Idaho Falls are fully funded -- fully insured. The same structure that we have today. Boise, Nampa, and Caldwell

all have been self funded. Boise for 12 years, Nampa for 25 and Caldwell for 26. Boise does go -- and Caldwell goes out every few years and has -- Mercer doesn't do an analysis for them to see if they should remain self funded and have chosen to stay. City of Caldwell, for instance, last year their claims were running really high. They received a quote of 26 percent increase on the self-funded side. They also received a quote for fully insured and it was ten percent higher. So, it worked out to 135 dollars more per employee per month versus keeping the money in their own account. So, the carrier would have kept that additional 135 dollars rather than city of Caldwell. So, they stayed self funded. I wanted to give you some of the pros and cons. I'm not going to go through all of this, but some of the -- some of the high-level pros that there are are -- is the city maintains the reserves, as I have already said. Various cost savings, including up to an annual five percent on the ACA charges. So, with a self funded we don't incur that five percent ACA charge, because we're assuming the risk or the liability. We also have more control and better able to manage risk and the stabilization of our premiums with the reserve funds that we built. Some of the cons include fluctuation throughout the year, increased employer involvement and increased fiduciary responsibility. Right now the city is in a downward trend, which means that we don't have as much in claims as we have seen and so self funding -- it is a good time for us to look at self funding at this point. Some of the components of fully insured and self funding -- so, you can kind of at a glance get a high level overview of the differences between the two. With the fully insured the fixed costs include profit, risk ranges, taxes, retention and, then, with the self funded fixed costs are limited to ASO fees, stop premium, and ACAC. So, there are some differences high level between the two and how the plans are administered and, then, how they can work to benefit us. There are also requirements by the Department of Insurance for self-funded accounts. The process takes approximately a year to complete and consists of an application fee, Department of Insurance annual fees of approximately 540 dollars, additional broker fees -- they have to provide actuarial reports, which we submit to the Department of Insurance. A trust agreement and, then, the reserve amount that we have to keep on hand, which is approximately three months worth of premiums. So, this kind of gives you an idea if we were to go self funded, just a general cost. So, then, that leads us to the formal recommendation for this evening. We would like to, as the benefits committee, recommend using the -- or maintaining the placeholder in reserves for benefit management. This would allow us to begin the reserve needed for self funding if the city should choose to go that direction. If not, it at least allows us the ability to buffer any increases we may experience in the future. As I said, we had a five percent reprieve from the ACA this year. There is nothing saying that that won't come next year. So, if we do have that money in reserves we can effectively cover that five percent without affecting any of the plan design or the cost to the employee. It also allows us as a benefit committee to focus efforts on exploring options, rather than redefining the benefits to fit our current budget and structure. So, it allows a better use of the benefit committee's time to plan for the future. Fully insured plan place organizations in a position to be reactionary in response

to uncontrollable market conditions. By considering other options we may be able to gain greater control of future costs and provide the ability to give our employees a wonderful benefit package at a reasonable cost to the city and its employees. So, tonight I'm not asking for any decisions. It's just to bring back a formal recommendation to be able to place that placeholder in reserves to help mitigate costs for the future and, then, allow the benefits committee to explore some other options. We have looked at the marketplace, as well as self-funding. So, no -- I'm not sold on self funding being the answer, but we need the ability to -- to look at that and, unfortunately, we're in a position now where we just kind of wait for Blue Cross to give us rates and, then, we scrambled to make it fit in the current budget that we have and, then, we move to the next plan year and it would be a better use of our time if we were able to just say, okay, this is what it is, we have the money to cover it, now what are we going to do for future costs. So, I will stand for any questions.

De Weerd: So, Christena, what is the difference -- do you know -- we spend how much per employee for the fully insured versus the self funded by Nampa or Caldwell -- I think Boise has a much more robust program than -- than the others. They are more comparable to ours.

Barney: So, I did look at some of that information. I wasn't able to get the cost per employee per month from Boise and Nampa, but I do have it for Caldwell. We are approximately 200 dollars less. However, there are lots of variables into why -- the employee count, how many families they have on their plan -- there are a lot of variables that skew that number. So, it's kind of hard to look just at that without doing a true comparison of FTEs to FTEs, families to families, so that we --

De Weerd: What's our cost?

Barney: It's just above a thousand dollars.

De Weerd: Okay. I think that's what Nampa's is.

Barney: I have Mercer working on that information right now.

De Weerd: And, then, the wellness program, is -- as that started to show a more positive impact on our experience rating, who benefits from that -- well, other than the health benefits, but does that help reduce our -- our premiums? So, I doubt we would ever see a decrease in what we pay --

Barney: Right.

De Weerd: -- but it does help minimize the increase.

Barney: It does. I have put some information together over the last five years, the data that I have been able to collect from the wellness program, in comparison to our experience rating and it is showing a trend. When the participation in the wellness program is lower, our experience rating tends to be higher. We get more participation in the wellness program and we have a lower experience rating or a lower premium. So, that is what the trend is showing at this point and right now we are on that downward trend. So, we have more participation, lower experience rating. And that benefits the city in lower premiums and the employees. They get to keep their benefits and we don't have to increase the premium that they pay for it.

De Weerd: And if we move to the menu that the benefits committee has been talking about, by self funding would you be penalized with less people in the program or -- and I know that's been the hesitancy in being fully insured is by removing numbers increases your -- your insured's costs.

Barney: So, it works similar in fully funded and self funded -- or fully insured, excuse me, and self funded in that the claims are spread over your total member count. So, if you remove members, then, you have less people to spread that cost over, so it ends up going up. So, they work the same regardless.

De Weerd: Okay. Other questions?

Bird: I have none.

De Weerd: Okay. Thank you.

Barney: Thank you.

Item 10: Ordinances

- A. Ordinance No. 16-1699: An Ordinance (H-2016-0030 – Howry Lane Subdivision) for Annexation and Rezone of a Parcel of Land Situated in the West Half of the Northeast Quarter of Section 33, Township 3 North, Range 1 East, Boise Meridian, Ada County, Idaho Containing 41.07 acres of land, Establishing and Determining the Land Use Zoning Classification of R-8 (Medium Density Residential) in the Meridian City Code; and Providing an Effective Date**

De Weerd: Okay. Item 10-A is Ordinance 16-1699. I will ask our City Clerk to read this by title.

Jones: Thank you, Madam Mayor. An Ordinance H-2016-0030, Howry Lane Subdivision, for annexation and rezone of a parcel of land situated in the west

half of the northeast quarter of Section 33, Township 3 North, Range 1 East, Boise meridian, Ada County, Idaho, as described in the Attachment A and annexing certain lands and territory situated in Ada County, Idaho, and adjacent and contiguous to the corporate limits of the City of Meridian, as requested by the City of Meridian. Establishing and determining the land use zoning classification of said land from RUT, to R-8, Medium Density Residential District, in the Meridian City Code, providing that copies of this ordinance shall be filed with the Ada County assessor, the Ada County recorder, and the Idaho State Tax Commission, as required by law, and providing for a summary of the ordinance and providing for a waiver of the reading rules and providing an effective date.

Bird: You have heard the ordinance read by title only. Is there anybody in the audience that would like to hear it read in its entirety? If not, Council, what's your pleasure?

Milam: Mr. President?

Bird: Madam Milam.

Milam: I move that we approve Ordinance No. 16-1699 with suspension of rules.

Cavener: Second.

Bird: I have got a motion and a second to approve Ordinance No. 16-1699. Madam Clerk, please.

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

MOTION CARRIED: ALL AYES.

- B. Ordinance No. 16-1700: An Ordinance of the City of Meridian (H-2016-0040) Granting re-zoning of a Parcel Located in the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 32, Township 3 North, Range 1 West, Boise Meridian being part of Lot 2 and all of Lots 3 and 4 of Block 3 of NIDAY'S SUBDIVISION as shown in Book 2 of Plats at Page 75 in the Office of the Recorder, Ada County, Idaho. This parcel contains .271 acres more or less. This Parcel shall be re-zoned from the R-4 (Medium Low Density Residential) to the O-T (Old Town) zoning districts, in the Meridian City Code; and Providing for Waiver of the Reading; and Providing for an Effective Date**

Bird: Item 10-B, Ordinance No. 16-1700. Madam Clerk.

Jones: Thank you, Mr. President. An Ordinance H-2016-0040, 907 Northwest 2nd Street, for the rezone of a parcel of land in the southeast quarter of the northeast quarter of Section 32, Township 3 North, Range 1 West, Boise meridian, being part of Lot 2 and all of Lots 3 and 4 of Block 3 of NIDAY's Subdivision, as shown in Book 2 of Plats at page 75 in the Office of the Recorder, Ada County, Idaho, establishing and determining the land use zoning classification of R-4, Medium Low Density Residential, to O-T, Old Town District, in the Meridian City Code. Providing that copies of this ordinance shall be filed with the Ada County assessor, the Ada County recorder and the Idaho State Tax Commission as required by law and providing for a summary of the ordinance and providing for a waiver of the reading rules and providing an effective date.

Bird: You have heard Ordinance 16-1700 read by title only. Is there anybody that would like to hear it in its entirety? If not, Council?

Milam: Mr. President?

Bird: Madam Milam.

Milam: I move that we approve Ordinance No. 16-1700 with suspension of rules.

Little Roberts: Second.

Cavener: Second.

Bird: We have got a motion and a second to approve Ordinance No. 16-1700. Madam Clerk.

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

De Weerd: All ayes. Motion carried.

MOTION CARRIED: ALL AYES.

Item 11: Other Items

- A. Executive Session Per Idaho State Code 74-206A
NEGOTIATIONS IN OPEN SESSION. (1) All negotiations between a governing body and a labor organization shall be in open session and shall be available for the public to attend. Provided, however, a governing body or its designated representatives may hold an executive session for the specific purpose of: (a) Considering a**

labor contract offer or to formulate a counteroffer

De Weerd: Under other items we have an Executive Session per Idaho State Code 74-206A. I will ask for a motion.

Bird: Madam Mayor?

De Weerd: Mr. Bird.

Bird: I move we go into Executive Session as per Idaho State Code 74-206A.

Borton: Second.

De Weerd: I have a motion and a second to adjourn into Executive Session. Madam Clerk, will you call roll.

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

De Weerd: All ayes.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

EXECUTIVE SESSION: (8:16 p.m. to 8:30 p.m.)

MEETING ADJOURNED AT 7:43 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)



MAYOR TAMMY DE WEERD

ATTEST: *Council President, Keith Bird*


JAYCEE HOLMAN, INTERIM - CITY CLERK

7 / 19 / 16
DATE APPROVED

