

**Meridian City Council Work Session**

**March 15, 2022.**

A Meeting of the Meridian City Council was called to order at 4:33 p.m., Tuesday, March 15, 2022, by President Brad Hoaglund.

Members Present: Brad Hoaglund, Joe Borton, Treg Bernt, Jessica Perreault and Liz Strader.

Members Absent: Robert Simison and Luke Cavener.

Also present: Chris Johnson, Bill Nary, Dave Miles, Mark Ford, Joe Bongiorno and Dean Willis.

**ROLL-CALL ATTENDANCE**

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|---------------------------------------|----------------------------|
| <u>  X  </u> Liz Strader              | <u>  X  </u> Joe Borton    |
| <u>  X  </u> Brad Hoaglund            | <u>  X  </u> Treg Bernt    |
| <u>  X  </u> Jessica Perreault        | <u>      </u> Luke Cavener |
| <u>      </u> Mayor Robert E. Simison |                            |

Hoaglund: Good afternoon, everybody. Welcome to our City Council Work Session. For the record I would like to call this meeting to order and today's date is March 15th at 4:33 p.m. and the first order of business will be roll call.

**ADOPTION OF AGENDA**

Hoaglund: All right. Next order of business is the adoption of the agenda -- of the agenda. Councilman Bernt.

Bernt: Mr. President, I would like to make a motion to adopt the agenda, striking -- Item No. 15 will be pulled. Replace the item on 3/22. With that change I move that we adopt the agenda as amended.

Strader: Second.

Hoaglund: I have a motion and a second to adopt the agenda as amended. Is there any discussion? If not, all those say aye. Any opposed? The ayes have it.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

**CONSENT AGENDA [Action Item]**

- 1. Approve Minutes of the March 1, 2022 City Council Work Session**
- 2. Approve Minutes of the March 1, 2022 City Council Regular Meeting**

- 3. Artemisia Subdivision Sanitary Sewer and Water Main Easement**
- 4. Quartet Northeast Subdivision No. 2 Sanitary Sewer and Water Main Easement No. 1**
- 5. TM Crossing Lot 15 Partial Release of Water Main Easement**
- 6. TM Crossing Lot 16 Partial Release of Water Main Easement**
- 7. Final Order for Meridian Movado Village Subdivision (FP-2022-0002) by Breckon Land Design, Located on the South Side of E. Overland Rd. Between S. Eagle Rd. and S. Cloverdale Rd.**
- 8. Findings of Fact, Conclusions of Law for Healthy Living Condominiums (SHP-2022-0001) by KM Engineering, LLP, Located at 5155 S. Hillsdale Ave.**
- 9. Development Agreement (H-2021-0065 Aviator Springs) Between the City of Meridian and Acclima, Inc. for Property Located at 3235 N. McDermott Rd.**
- 10. Development Agreement (H-2021-0075 - Rackham East Subdivision) Between the City of Meridian and BVA Rolling Hills No. 1 (Owner) and Brighton Development, Inc. (Developer) for Property Located on the South Side of I-84, 1/4 Mile East of S. Eagle Rd.**
- 11. Agreement Between the City of Meridian and Meridian Youth Baseball (MYB) for Priority Use of Sports Facilities for the 2022 Season**
- 12. Sole Source Purchase of Andritz Centrifuge Equipment and Related Software and Associated Replacement Parts Through Andritz Separation, Inc.**
- 13. Parks and Recreation Department: Meridian Community Pool Fees**

Hoaglund: All right. Next item is the Consent Agenda.

Bernt: Mr. President?

Simison: Councilman Bernt.

Bernt: I would like to move that -- to approve the Consent Agenda, for the Council President to sign and for the Clerk to attest.

Strader: Second.

Hoaglun: I have a motion and a second to approve the Consent Agenda. Is there any discussion? Hearing none, all those in favor signify by saying aye. Any opposed? And that was all ayes. Consent Agenda is approved.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

### **ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]**

Hoaglun: No items were removed from the Consent Agenda.

### **DEPARTMENT / COMMISSION REPORTS [Action Item]**

#### **14. Solid Waste Advisory Commission Annual Update**

Hoaglun: So, the next item is Department and Commission Reports. Up first we will hear from our Solid Waste Advisory Commission and their annual update and, Steve, you can take us away.

Cory: Thank you, Mr. President, Members of Council. I am Steve Cory, chairman of the Solid Waste Advisory Commission. I'm here representing the commission to report on our 2021 activities. I bring you their best wishes and the commission has appreciated being at full staff this year. Commissioner Meg Larsen served as vice-chair. Isabel Kau completed two years of stellar service as a youth commissioner and we are pleased to welcome Kayleigh Philippi as the current youth commissioner, who is in attendance. One of our primary responsibilities is the community recycling fund program. The fund had an initial balance this year of just under 39,000 dollars. Revenues this last year were just over 13,500 dollars from the Hand-In-Hand We Recycle Program. This year there was one expenditure of 16 -- 133 dollars for a squishy water bottle pilot program. The ending balance for the year is 50,641 dollars. Other 20 -- calendar year '21 activities included Trash Or Treasure, Recycle A Bicycle, participation in the Ada County Solid Waste Advisory committee and participation in the Ada County Hazardous -- Household Hazardous Waste quarterly meetings. I want to highlight SWAC's continuing work to develop a solid waste plan for the city. SWAC worked with the city staff to finalize the goals and expectations for the plan and SWAC looks forward to staff presenting the plan to us and the opportunity to provide advice and consultation to finalize and implement a plan. SWAC also conducted its other primary responsibility, the review of the FY-22 annual solid waste rate adjustment. The rate adjustment for both commercial and residential services was comprised of the contractual CPI adjustment, a fee to cover a significant spike in labor costs and the continuance of sharing recycled processing costs as set forth in a separate contract amendment. Amongst others, SWAC received presentations on contamination issues at the recycling containers at the transfer station. The squishy water bottle pilot program reports and discussion about collection of glass over in the city of Eagle and they just mentioned FY-22 proposed solid waste rates. Upcoming commission business includes furthering improvements in the recycling efforts and promoting Meridian Trash Or Treasure, Hand-In-Hand, and the Recycle A Bicycle program. Monitoring yard composting market trends and construction demolition waste

diversion efforts and a continued focus on reducing contamination of recycle streams. Continuing participation in the Ada County Solid Waste Advisory Committee. Continued participation in the Ada County Household Hazardous Waste Program meetings and continued expansion of education outreach to decrease contamination in the commingled residential recycled streams, with emphasis on new residents and including youth. In conclusion, SWAC was active despite COVID. Our commitment is steadfast to work in partnership with staff and Republic Services, to identify and recommend to you improved physically sound -- fiscally sound trash and recycling services and programs for the benefit of Meridian residents and commercial customers and with that I would certainly like questions about what's in the report.

Hoaglund: Great. Thank you, Steve. Questions for Steve?

Perreault: Mr. President?

Hoaglund: Council Woman Perreault.

Perreault: Hi, Steve. Thank you for being here. Curious if you could share more about what you have learned with monitoring the yard composting market trends. I know that Boise offers that and I'm -- I'm curious what Meridian residents have had to say or if you have done any kind of outreach on that regard.

Cory: Well, our -- our primary indicator on that is the subscription process that we have got that individuals can go ahead and pay for curbside pick up and it's held steady, but we have at this point -- find my -- 170 subscribers. That's up from 134 last year, but understanding at this point we have about 40,000 active household accounts, so we are looking for more interest before we go somewhere. As far as what's going on within the valley, the big inclusion was the Boise City's composting program over there and, of course, that one was a mandatory program where everyone was participating and it's suffered on one side having more material than they could handle and they have had to go through a major expansion over there, but they have been consuming all of their capacity to go ahead and treat material and, then, also with the produced material they have also had that oversubscribed as far as people wanting compost for their home use. So, we are basically just kind of watching to see if there is a -- kind of a change in economics or a change in consumer interest and more people wanting to get involved and, hopefully, that's useful.

Perreault: Thank you. Mr. President, I have a follow-up question.

Hoaglund: Go ahead, Council Woman Perreault.

Perreault: Thank you. In your report you had mentioned that that was for curbside grass pick up. So, I didn't know if you were tying that in with composting or if that was something that was separate. Is that the same -- I guess I think of composting as like products from your home that you are, you know, allowing to --

Cory: Yes, that is, essentially, the same program. Two names for the same thing. The program within the City of Meridian has only allowed receipt of -- of grass and leaves in the fall, but it hasn't been expanded to any type of material for composting at this time.

Strader: Mr. President?

Hoaglund: Yes, Council Woman Strader.

Strader: It's great to see you, Chairman Cory, and I guess I just have two questions along the same lines, maybe more of a comment, that I think it would be great to see a pilot program around composting just to see the interest. I know Republic looked at it. We looked at it. Timing wasn't quite ready. But it would be great -- and I guess I was curious if you guys would be addressing potential composting plans in your upcoming solid waste plan and what the latest timing is on just generally what we are thinking about receiving in the plan.

Cory: Council Woman, thank you for that question. Mr. President. Yes, the -- the waste plan will go ahead and take a look at the waste that's generated by our -- our citizens and discuss each of the different categories of it. I'm appreciative of our staff support. Sayard Schultz is going to be responsible for drafting that plan and I -- with that, basically, we are always encouraging people to go ahead and, you know, approach us if they have got something that they could perhaps do. Certainly I would kind of give that background information that I did to indicate we probably shouldn't be looking at being able to attach to Boise, because I don't believe they are ever going to have capacity to take our material, but something that -- obviously throwing in that piece of information, while the landfill, when it was developed up at Hidden Hollow, was supposed to last a hundred years, it's already reduced down to about 60 to 70 years and so what's always on our mind to go ahead and look at streams that could be diverted to go ahead and extend that, so that our kids or grandkids are not having to pay for a new landfill, because that creation of a new landfill is a pretty significant cost and a pretty significant tax burden.

Strader: Mr. President?

Hoaglund: Council Woman Strader.

Strader: I guess just one quick follow-up just time -- timing -- if we know. Maybe we don't know yet. But timing of the solid waste plan or the report that you guys are working on, I know there is a city solid waste plan that staff is working on. I was just curious about the timing when we might see that. And, then, I just wanted to pay you a compliment. My absolute favorite committee-commission that I have ever been on and I think your work is really important and I appreciate everybody's dedication.

Cory: Thank you so much. Hey, Sayard, do you feel comfortable at this point projecting a time for that report or is that -- is it still a little early for the plan?

Hoaglund: All right. Go ahead and state your name for the record.

Schultz: Sayard Schultz, solid waste coordinator. We are working on the -- the city staff are working on an outline right now, so I'm hoping to get that done around September and, then, submit it to SWAC for any advice that they would want to include comments.

Hoaglund: Council Woman Strader, do you have a follow up?

Strader: Just wanted to make sure I heard. Was it September?

Schultz: Yes.

Strader: Okay. Got it. Thanks.

Schultz: Yes.

Hoaglund: Thank you. Steve, I have a question. You mentioned recycling and kind of curious as to -- I mean it's -- it's hard to predict the future, but what are the recycling markets doing, what does it look like they might do, and you also mentioned contaminations and can you tell us a little bit more what's going on with contamination in recycling and what the problem is and what -- what the plans are to work on that.

Cory: First on the markets, we actually started to see some recovery this year. Obviously, there has been a lot of struggles in the -- in the past few years with China changing what they wanted to go ahead and take and what they wanted to do and -- and just trying to create domestic markets and such and through the fiscal year -- at the end of the fiscal year we were almost at the -- you know, we were very much approaching where the additional cost was zeroing out, but in the last quarter it's kind of softened again a little bit. But, hopefully, we are going to be able to start seeing some recovery in that market and the particular situation we had this year was Republic Services has been very supportive in creating a number of containers out at the transfer station, which is very helpful to our apartment residents and similar that don't have curbside recycling and, of course, it allows for a drop-off process for any resident that might have a lot more recycling than what they can fit in their cart and for a while there seemed to be a bit of a problem on what was going into the bins. There were a few loads that were problems and Republic volunteered -- came up with us, told us about the problem and went ahead and identified that they were going to improve the signage around the -- the bins and it actually was very helpful. It seemed to clear up the problem immediately. So, that was one particular problem. I think in all of our cases we tend to go ahead and see five -- five or ten percent contamination in the -- in the streams and with where Western goes for customers for our material, that's acceptable. But if we were able to go ahead and reduce that to four or three percent contamination or something like that, we can go for more elite manufacturing facilities that would pay us more for our materials. So, unfortunately, the goal is zero and we always strive to get to zero, but there is always more work to be done.

Hoaglund: Okay. Thank you, Steve. Appreciate that. Any other questions? If not, great. Thank you, Steve, and -- and the committee members we thank them for their service. We appreciate it very much and -- and they got a big fan in Council Woman Strader.

Cory: Thank you so much.

**15. Police Department: Request to Transition the Part-Time Anti-Drug Coordinator Position to a Full-Time Position**

Hoaglund: We removed Item 15 that I think is going to be heard on March 22nd.

**16. Mayor's Office: Discussion to Plan Use of Federal American Rescue Plan Act (ARPA) Funds**

Hoaglund: So, next up we have from the Mayor's office discussion of the planned use of Federal American Rescue Plan Act funds, also known as ARPA. So, Dave Miles, if you could come up and fill us in.

Miles: Good afternoon, Council. So, I would categorize this as ARPA part two or maybe three or four, I forget where we have left off. But we were last back with you -- I think in September. So, we will go through some discussion tonight. Really I think what we want to touch on tonight is ultimately the considerations that we have all talked about at the leadership level since the last time we came and talked to you all about projects, as well as the approach that we are considering as we think about these projects moving forward. I think that's important to touch on. And, then, ultimately try and seek some approval on project recommendations or at least some feedback from you all and go from there. So, I think what's most important I think is sort of the philosophy of these dollars. I know there is a lot of discussion about these are really generational funds. Probably once in a lifetime, maybe once in multigenerational dollars, and whether or not you sit on the fence of the federal government expending these funds or not, I think ultimately for Meridian the biggest component to consider is that whether or not we spend these funds, they have been allocated, and the -- the guidance that we are seeing right now will dictate that if money is unspent it will likely go back to the feds and states and/or other cities and so the money is going to get spent, so how do we as Meridian recommend to spend these funds for the best benefit of the Meridian community is -- is sort of how we have looked at that. Also want to just consider the impact on staff with any of these projects that we undertake. We saw with the small business program as an example, we can do it, we can make it work, but there is an impact on staff and it's a -- it's a bit of a resource draw. There has also been some changes that we will go through and talk about and, then, I want to touch on the timelines as well, because it's important to remember with any of these projects there are timelines to these federal funds. So, as the legislature got underway this past session, they rolled out their ARPA suggested funding and their path and I think that a lot of their message resonates across the state, as well as when we are thinking about our projects. I think they laid out a prudent path of consideration of how to consider the funds and, really, it's utilizing these funds for long-term capital projects, not trying to designate funds for ongoing costs, because, again, these are one time funds. So, if we are designating them to ongoing costs we are going to have to turn around and figure out a way to fund those anyway in the future again. Again, the money is on the backs of generations to come, so what are those long-term projects that will not only serve good for today and today's community, but ten, 15, 30, 40 years down the road. Those

are some of the philosophies that we considered as we looked at these projects and ultimately it's about lowering future ongoing operational costs, lowering the long-term tax benefits -- sorry -- the tax liabilities if we can and making those improvements that have as broad an impact as possible. That's some of the thinking that we took as we were moving through this discussion. So, a couple of reminders. Federal program, roughly 350 billion dollars, was allocated. Idaho's portion of that was right around 1.1 billion dollars. That goes to the state and what they called non-entitled units, which was populations less than -- I want to say 50,000. Meridian received a direct infusion directly allocated to Meridian of 12.8 million dollars, a little more than that, and the timelines that are associated with that funding -- again I touched on those earlier. So, we have to allocate funding to any project by December 2024. A little more than two and a half years, if my math is -- I'm thinking that's the right date. And, then, we have to spend those funds by December 2026. So, you know, four and a half years'ish. It sounds like a long time, but when you look at the list of some of these projects they are big projects. They are going to take time. Some of these projects you are looking at a year in design potentially, a good chunk of time to get under contract and, then, two to three years of construction. So, that's why we wanted to come in front of you and -- and try to get some of these projects moving forward. If -- if you are agreeable with them. Next couple of slides I'm not going to spend too long on, because you have got the information in your packet. We have also talked about this before. But, essentially, four main categories that we can spend those funds on and you can see them listed here supporting the COVID pandemic and economic response associated with that. Premium pay. Eligible essential workers. Government services, which is categorized under the revenue loss bucket of money and, then, investing in water, sewer, and broadband. A little bit of details on what those mean. We have talked about those before. So, anything from testing, to nursing care costs, to mitigating, COVID communications -- all those types of things are eligible in the first bucket. Premium pay, exactly like it says here, nursing home staff pay, back pay, things of that nature, which we are not recommending any of that at this point. Providing government services. This is sort of a revenue loss allocation that you have all been informed about and we have talked about in the past and, then, investing in water and sewer and broadband. Those two categories are probably your most open categories is how I would describe them. The revenue loss is basically any government services, how they categorize it. So, very broad, very open, and in the guidance they direct cities and municipalities and agencies to think that this guidance is to be loosely and broadly interpreted -- interpreted. So, a lot of options in that -- in that category. With the clean water and drinking water state revolving funds, as guidance for water, sewer, and broadband projects, those are -- there are two significantly sized documents that have a long list of projects. So, again, feel like there is a lot of flexibility in that category as well. So, the biggest change in the guidance that came out in the final guidance was probably around the revenue loss calculation. So, when we were before you in September last we talked about 4.6 million dollars, more or less, being able to be allocated to revenue loss projects or government services projects. The federal treasury guidance has since come out based on all of the feedback they have received during their interim guidance before they publish final guidance and said that they are offering what they are calling a standard calculation, a standard deduction more or less, to take up to ten million dollars in revenue loss without having to go through any calculation. Cities, agencies, can just say we are



going to take a full ten million dollars of our allocation and set that to revenue loss. So, that is a change that we have seen since the interim guidance. So, that ten million dollars is also inclusive of the total package. So, up to ten million of the 12.8 can be allocated to revenue loss projects. Some other changes -- again, they have expanded sort of a nonexhaustive example list in their guidance to help people understand what projects can be used for and, then, they have streamlined options on how to work through if you are considering premium pay and as well as water, sewer, and broadband options. The broadband guidance has changed. In fact, we got some information late last week or earlier this week that there is ongoing conversations around that, so that's why you will see in the packet that showed up in phase two discussion area as well and so now in your packets you have got Attachments A and B, which jump into the projects and so when we consider these projects we met with the director team, Council Woman Strader, Councilman Borton were part of those discussions, to evaluate what are the buckets of projects we even want to -- think we want to consider. So, we developed that list through multiple conversations, worked through -- you saw on -- I believe it's Attachment A, some of the projects filtered off of the list, but we kept them on there for you to -- to see them. For example, I think we had a discussion about Anderson Dam -- Anderson Ranch Dam raise. It's just not going to fit in the timeline of this project. So, right out of the gate we said, well, that probably doesn't work for us, because of the timeline alone, if not the rest of the complexity, just as an example. So, we are recommending phase one projects to move forward at your approval, starting with facility HVAC, it stands for needlepoint bipolar ionization. It's basically improved air filtration in the city facilities. We cover all city facilities to the tune of about 160,000 dollars to make improvements to the HVAC system. This was originally born out of COVID. I think it still applies. If COVID were to come back it keeps improved air quality. In theory it helps us continue to operate our facilities, have people in the building, whether they are customers or employees. That's the thinking behind that one. You got -- COVID testing is on there to consider offering testing to employees. We have got some quotes from the fire department on those types of services through third-party contract services. We also have on there the benefits trust COVID impacts repayment. You saw last week you had a budget amendment in front of you for the trust repayment, of which about 190,000 dollars was related to COVID impacts. This wouldn't necessarily repay the trust or repay the city for those funds, what it would do is allocate this amount of money for the city to expend on projects that that money was going to be used for and that's an important distinction when you get into the federal guidance of how these funds are utilized and it's not that you are repaying a fund or repaying reserves, it's that you are utilizing these funds for projects that you would have otherwise use general fund money for, but we no longer have that. And, then, going down the list we have biosolids drying through the water-sewer projects. Cyber security is a new project that was on the list that is not in our current CFP, but because of the best practices from IT and how you handle SCADA versus city infrastructure, they are currently tied together in my understanding and the best practice recommendation is to pull those apart and treat them on separate server farms, so that -- that is new recommendation and you would see that coming from IT in the next few years anyway, because they don't currently have it in the CFP and it is now the -- the best practice. And, then, there is energy efficiency studies, both through the utilities and both -- and with city facilities. We broke it out to bucketize money into water, sewer, broadband and to bucketize other

money into revenue loss and, then, streetlights upgrades are in there as well. Originally Attachment A was at 1.5 million dollars. Through conversations we did lower it to a million dollars as a starting point. A little bit of that is related to just staffing resources and sort of effectiveness of how far can we get, knowing that there is still money leftover in theory, starting with a million dollars felt like a prudent step to say how far can we get, how much can we do, rather than just saying let's just do a million and a half and, then, maybe we can't get there. So, that was the rationale. Total of about 6.8 million dollars worth of projects in that first phase bucket and you can see phase two another six million dollars roughly for the other -- what I will call larger projects that I think Council probably warrants a further discussion on, more consideration on. I don't know -- if you are ready to take action on those tonight great, but you can see the Linder Road overpass is something that I know the Mayor supports and we have had several discussions on that. Again, considering its broad impacts to the community. Also considering setting aside a portion of the recommendation of two and a half million dollars to start as just a set aside to say if any of these other projects go over cost or if there are other project ideas that we have or, if, heaven forbid, COVID or some variant of COVID comes back and we need some sort of emergency funding for these funds to cover, that's the intent behind that. We have got the community centers on the list as well. What do we do with that, knowing that there is some funds in the existing CFP. Golf course irrigation, the same discussion, as is the regional park land. This would be for a future park site in northwest Meridian where The Fields District is. Don't know where we stand on that at this point. And, then, broadband is up there as well, because I mentioned there is some continuing discussions occurring, again, throughout the region and the valley about how and what could we do as a regional approach to improve broadband. I know IT under the newest guidance has considered maybe there are some ideas that we could do and I think it's not ripe enough to have a conversation today to say like what, but, for instance, whether it's broadband in the parks or trying to connect fire stations through broadband that we don't currently have, those types of ideas. So, let's -- so, this slide just breaks out into what buckets those phase one projects fit in, just so that you can see the categorization. You have got about 360,365 in the COVID response bucket right now. You have got about 1.1 million in the revenue loss bucket and about 5.3 in the water, sewer, broadband bucket of what we are proposing for today. And what does that leave? I touched on this a little bit. We would propose to leave -- that would leave two and a half million in sort of reserves for future discussion. You have got -- in the revenue loss bucket you have got Linder Road overpass, community center, regional park and, then, through water, sewer, and broadband you have got a broadband project -- again cost to be determined. And, then, you have got golf course irrigation and I think it does fit in that bucket appropriately if you consider the state drinking water state revolving fund guidance. A lot a in this -- in this guidance. So, again, we are recommending roughly 6.8 million for those phase one projects, either all or a piece or part. We can have that discussion. Knowing that that would leave about six million dollars for future discussions on the phase two projects, future discussions. Maybe a full body input, because I know there is several members that are not here, along with setting aside some funds for things that we just may not know yet and I think that's -- that's the entirety of the presentation. Knowing that -- I did want to add one thing. Through any of these approvals that you give tonight, obviously, any project by itself would have to come back for a budget amendment to allocate the funds, so you would have a

further conversation on each individual project as they come back to you. So, I think with that I will stand for any questions and --

Hoaglund: Thank you, Dave. So, to that point -- so, basically, for phase one list it would be just kind of a blanket approval, as you -- and, then, they would come back as you mentioned and actual allocate and have questions and make sure everything -- all the details are taken care of; correct?

Miles: Yes. That's correct, Council President.

Hoaglund: Okay. Any -- any questions for Dave?

Perreault: Mr. President?

Simison: Yes, Council Woman Perreault.

Perreault: Thank you. I have three questions for you, Dave. Try to do it succinctly. Can you share about -- just sort of big picture some of the reasons why some of the items are in phase one versus phase two, as far as timing goes? So, some -- in phase two we have some projects that are already in the process, but in phase one there are items that, you know, are just getting started. So, can you help me understand what got put in what bucket and kind of some -- some thoughts behind it. I did read through everything that was in the packet by the way, but I just want to understand what the decisions were as far as which phase they went into. And, then, along those same lines the criteria for phase two, is that going to be similar to phase one where we are looking at a return on investment, you know, how that lines up kind of with -- and phase two I imagine will be also having some discussions about partially using general fund budgets for some of those projects and whether timing of the projects will play into phase two as much as they will into phase one. So, just kind of the bigger picture in that regard. That's my first question.

Miles: Okay. Council President, Council Woman Perreault, so to what I heard your first project -- first question, so why project phase one versus phase two on some of these. Really I think part of the consideration is what do we think there is more general support for overall, as well as what are some of the immediate operational projects that can offer operational savings and long-term benefit to the community. I think if you look at the list of projects -- in phase one there is a lot of projects that do at least analyze and provide a return on investment that are calculable; right? We can touch and see and feel that if we install X streetlights it will provide a reduction of Y in costs. If you look at the list in phase two you sort of got more of the -- the -- the less tangible benefits; right? We can measure traffic flow, but how much benefit does Linder Road overpass have versus the attendance of a community center. Those are more conversational theory and not necessarily touchable and calculable in my mind. So, that was some of the logic behind why those projects. Additionally some of them are just easier, simpler projects I think, so we know that we can sort of get the ball moving on some of these, get them underway. To your next question about the criteria and -- that we would consider. I think, yes, we consider

the same criteria, sort of what is the long-term community benefit, what is the -- what's the return on investment, so to speak, if it is able to be calculated. What's the complexity of them and the timing of them. I think if you look at any of those projects on the -- the phase two list you could argue that they are all complex and could take long, if you think of them from start to finish. Now, within them there are probably elements that you could consider breaking down and say, well, for example, Linder Road overpass we could acquire right of way sooner than later. Community center, maybe there is a study to be done sooner than later. So, there are elements of them that are short term, but they are all much longer term as well I think. And, then, timing of projects. I think I touched on that a little bit as well. Again, they are the bigger projects, so, yes, we need to have the discussion soon. I think it's just a little more tangible, the phase one projects to say let's get those going or some or all of them.

Perreault: Mr. President, may I continue with a couple more questions?

Hoaglund: Go ahead, Council Woman Perreault.

Perreault: Thank you. So -- thank you very much for sharing that. So, what I'm hearing is phase one are projects that really we can immediately pick up and phase two projects where we might still need some more information or planning to be ready to move forward with; is that right?

Miles: Yeah. Council Woman -- Council President Hoaglund. There is also more discussion to be had on them I think.

Perreault: Okay. I agree. So, are there any long-term maintenance costs for the capital projects in phase one that would need to be added to the base budget? Has there been any analysis done of additional costs to equipment or staffing or maintenance that might be involved with the biosolids drying or the SCADA improvements, et cetera, that we need to take into account as part of this?

Miles: Council President Hoaglund, Council Woman Perreault, I think of the -- of the list up there in terms of what would be added operational costs or added, you know, additional operations. You would look at the biosolids and the SCADA to some degree, possibly the streetlights. We do have Laurelei McVey, our Public Works directors, is here. I do think that the ROI did take some of that into consideration. So, they did -- she's nodding her head yes, so it's on the record yes. The ROI does consider that ongoing operational costs in terms of whether or not it requires additional staffing or not and that calculation brings that into factor.

Perreault: Okay. Thank you. And maybe Laurelei would like to join us, because my next question is about streetlights. So, in chatting with --

Hoaglund: Council Woman Perreault, I thought that was Council Woman Strader's question. No.

Perreault: I would be glad to have somebody else ask it. Thank you. So, it's my understanding that we have been a little slower than we had hoped for with streetlight installation and changeover and so I was wondering if you could give us some more feedback on whether the million dollars should stay in phase one or phase two and sort of the timing of that. Not so much whether it's a valid project, but just the timing of it and implementation.

McVey: Council Woman Perreault, great question. So, it is a resource constraint for us from a personnel standpoint. So, if we were to be allocated this million dollars we are anticipating hiring a consulting firm to help us manage this project in that time frame. So, definitely doable, but probably not doable with internal resources and so part of that money would go towards consultant fees.

Strader: Mr. President?

Hoaglund: Council Woman Strader.

Strader: I have a question for Laurelei as well. Thanks for being here. If you had to choose between the streetlight conversion and the biogas energy conversion, which one do you think provides a better return on investment?

Hoaglund: And, Laurelei, while you are pondering that, you said biogas facility or biosolids?

Strader: Yeah. That's correct. So, there is a biogas energy conversion project that I actually am surprised not to see on -- at least on phase two for further discussion. It is an interesting project that uses our existing -- basically like the yucky smells that you smell, they could burn those and actually use that energy to a greater extent at the WRRF and the nice thing about that project is it's a pretty quick project to implement and would immediately save us a hundred thousand dollars per year just back of the envelope -- you know, looks like a pretty okay return on investment just from eyeballing it, but -- and I'm just Devil's advocate, if we are having trouble keeping up the streetlights, I guess I'm curious if you had to choose one or the other, if one of them is a preference. I'm sorry to put you on the spot like that, but I was just curious what you think.

Hoaglund: Laurelei, any thoughts on that?

McVey: Council Woman Strader, without doing I guess some more in-depth analysis, so we see on the biogas energy conversion project about a hundred thousand annual savings there. I believe that the streetlights -- there we go. Thank you. The streetlights would be between 65 and 79 thousand dollars a year. So, I think based on that -- close.

Strader: Yeah. Mr. President?

Hoaglund: Go ahead, Council Woman.

Strader: Thank you. Yeah. Real close. I guess I -- maybe if I had one piece of feedback -- I'm in support of the phase one projects. I think they make a lot of sense. As somebody that helped a little bit on this there was a ton of vetting that went into these projects. These ones are very tangible. Like they are really practical projects, like -- kind of like, you know, you do your home maintenance on your house to avoid your water heater exploding -- like they are -- they are similar, but other on a city scale to me. I would just ask that the biogas project be a possible consideration for phase two, because it is an immediate savings, it is calculable, it doesn't have an ongoing operating cost, besides the depreciation of that equipment. Like to me that's a really good project, that's a practical project, and I do want to give some other feedback. I agree with Council Woman Perreault's comment that on the phase two projects we do have things that are pretty tangible that we are interested in doing, so I think it's great to have that further discussion and maybe that's an opportunity if other Council Members that aren't here have other ideas that have come up recently or other feedback, those could be vetted in the meantime. I know Councilman Cavener had an idea that he mentioned to me and it's just not something that came up. So, I think that that -- this is a good approach, knock out the really practical ones that save the city money on an ongoing basis and, then, definitely we are having big discussions for that phase two. Mr. President, maybe one more question.

Hoaglun: Go ahead, Council Woman Strader.

Strader: Dave, like from us are you looking for feedback? Are you looking for like a voice vote? Maybe that's the easiest. Not right now, but when we are ready a voice vote tonight on support for these phase one things, so you have clarity. Just want to make sure we are sensitive, because this thing has been morphing around and you have been putting a lot of work into it, I just want to make sure we are getting you what you need tonight.

Miles: Yeah. Council President, Council Woman Strader, yes, ultimately, you know, a voice vote would be good, whether it's line by line or whether it's a bucket of phase one and say, yep, it's good to go. Again, you will see them again on individual projects as they come back for amendments to allocate the funds, gives you another opportunity, but, again, with the timing and the length of some of these projects, it's good to get some of them underway, to get them moving forward.

Hoaglun: Okay. I want to note for the record that Councilman Borton has joined us from being online to in person. So, thank you, Councilman. Councilman Borton, did you have any thoughts?

Borton: Mr. President. So, thank you. I listened in route to the conversation and presentation. I just think there is a lot of good work that's been done to get us to this point by a lot of different invested individuals in all of the different options. So, for me I think the phase one basket is something that I'm supportive of. That going forward, understanding there is budget amendments and the details will come and follow for the spending authority, but I'm supportive of phase one, understanding there is more discussions for how the remainder of the bucket can be allocated and there is additional

options. I think that even in that list, but to move the ball a bit I think phase one is good to go forward with me today.

Hoaglund: Thank you, Councilman. Councilman -- Councilman Bernt.

Bernt: Thank you, Dave, for the presentation. I think that phase one looks good for the most part. My -- my -- my thoughts on phase two are specific to the Linder Road overpass. I think that the community needs this. I think that we have been -- it's been a high priority for -- for the Mayor and Council for a while, even -- you know, started with previous -- you know former mayor of de Weerd and so my only question is timing. You know, some of these projects are contingent upon timing and if we -- would we have time for a phase two project, like Linder Road overpass, if we were to include that in -- in phase two in the future.

Miles: Council President Hoaglund and Councilman Bernt, I think that's where I look forward to the future discussions. I think there is -- again, to the comment I made to Council Woman Perreault, I think if you break a project down and look at it in components, yes, there is the ability to fit something of that project into the timing that's -- the treasury has set, whether that's things like buying right of way or helping accelerate the purchase of right of way or accelerating the construction of a specific component. We certainly have to do more -- more work looking into how does that project work and fit within the guidance, but I do think elements of it certainly could fit with -- frankly, with any of those projects in the phase two bucket.

Perreault: Mr. President?

Hoaglund: Council Woman Perreault.

Perreault: On the lines of Councilman Bernt's comment, I just -- I do have concerns that we would spend a year or maybe more kind of waiting to see what can come to be with phase two projects and, then, find out in 2024 that we -- we weren't going to do what we thought we would do and we have lost time on projects that we know we can do right away. So, I really want to dig down next time into the timing of these, because I know with our other area partners, especially with Linder Road, we don't have full control over that process, so we can make some assumptions and have those conversations and possibly find ourselves another year from now still not being where we would hoped we would be and we have missed some other timing opportunities. So, I'm -- but in regard to phase one, I'm generally integrating with all of those. I'm -- I'm -- I'm -- I am intrigued by the biogas versus streetlights conversation. As far as the streetlights go, I'm curious also what the breakdown is on that with cost of consultant versus cost of what -- what it would cost us. Now, that is not necessarily a factor for whether I keep it in phase one, but I just am wondering. And I think the biogas is a really good -- thank you, Council Woman Strader for catching that, because I had read about it and, then, it just didn't dawn on me that it's not in this list. So, I -- I think that project really makes sense and it's -- it's good to have several options.

Hoaglun: Ms. McVey, would you like to respond to that?

McVey: Council Woman Perreault, that's a great question. So, we are estimating about 15 to 18 percent of the money would be towards consulting fees. That's a pretty standard that we pay on other Public Works projects.

Hoaglun: And, Council Woman Perreault, in terms of phase one projects overall, I -- I think we are going to take a vote tonight on phase one projects, so any -- any additional thoughts on phase one you might want to add?

Perreault: Thank you, Council President Hoaglun. My -- my preference -- and this is not to -- this -- not to vote against the streetlights, my preference would be to move that over to phase two and put biogas in as a phase one project. That's my initial preference. But, again, I don't have all the information yet, so I certainly don't want to hold up the streetlights project if that is something that is -- we know is ready to go, we have the information, we are good with it and it's a lot more likely to be completed rather than the biogas. But I just -- as far as return on investment, to me the biogas project sounds like it's a better option for us. But as far as how we categorize phase one, phase two, if the streetlights upgrades -- if we move it into the -- into phase two and we have that conversation here in the next -- I assume couple of months, we could still get started on it fairly quickly. So, as far as the timing goes, I -- that would be my preference. Moving the streetlights over to phase two. Moving biogas back into phase one.

Strader: Mr. President?

Simison: Council Woman Strader.

Strader: I think that's a good point, because we have a backlog and we have already funded a lot of streetlight conversions that haven't happened. So, I would think that moving that to phase two consideration and, then, putting the biogas project onto phase one would make a lot of sense. The biogas one I didn't have a lot of questions about, because it was really a straightforward project. Unless -- I guess my only question would be is there any concern about the biogas project? Any reason it's not ready and couldn't be included in phase one instead?

Hoaglun: Laurelei.

McVey: Council Woman Strader, so we would, with both the biogas and the biosolids project, would need to do initial engineering studies on both of those that would really assess -- so, we have done the, you know, rough ROI calculations where they do make sense. The engineering study would, essentially, do, you know, probably like a 30 percent design that would tell us construction schedule, would give us a better cost estimate just in case we were off on any of those and, then, that would be the kind of stuff that we could bring back to you guys and say, you know, yes or no, or we found this big project flaw as we got into it. But we could do that activity, you know, within the next six months.



Strader: Mr. President?

Hoaglund: Council Woman Strader.

Strader: Yeah. I want to take a shot at -- I would move the City Council greenlight the phase one projects this evening to express our support for seeing future budget amendments with all the details, putting the streetlight upgrades onto the phase two projects for further discussion, understanding the internal capacity to complete those projects and how consulting engagement would work with that and, then, moving the biogas project onto phase one.

Hoaglund: We have a motion --

Borton: Second.

Perreault: Second.

Hoaglund: And we have a second. Discussion? I -- I do have a question, Dave. If -- if we get into the biogas research and whatnot and it's -- it's very complicated and there is issues, whatnot, do we have time to flip things back and forth from phase one to phase two, vice-versa?

Miles: Council President, I think the short answer is yes. Ultimately you have got the flexibility up until you commit funds and I think even when you commit a fund you could probably pull a project back. But we can certainly clarify that answer for you and double check. And I did want to address -- you made a very good comment, Council Woman Perreault, about timing. Understanding there are other agencies involved with some of these larger phase two projects, the intent is that we come back to you rather quickly to have that discussion, not six months or eight months down the road.

Hoaglund: Any other discussion? We have a motion. All those in favor of adopting the phase one projects as identified in the motion, please, say aye. Any opposed? All ayes. Motion carries.

**MOTION CARRIED: FIVE AYES. ONE ABSENT.**

Hoaglund: So, there is your -- there is your phase one projects, Dave.

Miles: Appreciate it.

Hoaglund: Great. Well, we are at the end of our agenda for our work session. Do we have a motion to adjourn?

Borton: I move we adjourn.

Bernt: Second.

Hoaglund: All those in favor of adjourning say aye. Any opposed? We are adjourned.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

MEETING ADJOURNED AT 5:24 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

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PRESIDENT BRAD HOAGLUN

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DATE APPROVED

ATTEST:

\_\_\_\_\_  
CHRIS JOHNSON - CITY CLERK