

Meridian City Council Special Session**December 16, 2025.**

A Meeting of the Meridian City Council was called to order at 5:30 p.m. Tuesday, December 16, 2025, by Mayor Robert Simison.

Members Present: Robert Simison, Luke Cavener, John Overton, Anne Little Roberts and Brian Whitlock.

Members Absent: Liz Strader and Doug Taylor.

Other Present: Chris Johnson, Bill Nary, Mike Barton, Christena Barney, Jamie Leslie, Steve Taulbee and Dean Willis.

ROLL-CALL ATTENDANCE

<input type="checkbox"/> Liz Strader	<input checked="" type="checkbox"/> Brian Whitlock
<input checked="" type="checkbox"/> Anne Little Roberts	<input checked="" type="checkbox"/> John Overton
<input type="checkbox"/> Doug Taylor	<input checked="" type="checkbox"/> Luke Cavener
<input checked="" type="checkbox"/> Mayor Robert E. Simison	

Simison: Council, we will call this special meeting of the City Council to order. For the record it is Tuesday, December 16th, 2025, at 5:30 p.m. We will begin tonight's special City Council meeting with roll call attendance.

ADOPTION OF AGENDA

Simison: Next up is adoption of the agenda.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: No changes, we are going to get to as many as we can and, then, carry over to our next meeting. So, I move that we adopt the agenda as published.

Overton: Second.

Simison: Motion and second to adopt the agenda as published. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the agenda is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

DEPARTMENT REPORTS [Action Item]

1. Addendum to State & Local Agreement Between City of Meridian and the Idaho Transportation Board by and through the Idaho Transportation Department for the Rail with Trail Pathway

Simison: First item up is Item 1 addendum to state and local agreement between City of Meridian and the Idaho Transportation Board by and through the Idaho Transportation Department for the Rail with Trail pathway and turn this over to Mr. Barton.

Barton: Thank you, Mr. Mayor and Members of Council. Appreciate your time this evening. We are -- after kind of a long journey with this project we are happy to -- really happy to be here and the first -- the first item is tied to the second item and the second item is -- they are all interconnected. So, we will take them one by one and the first one is -- we are asking for approval to an addendum to the state-local agreement that was originally approved in 2016 and amended in 2022. So, this -- this addendum will solidify grant funding in the amount that's on the -- on the agreement. So, I'm happy to answer any questions you have.

Simison: Council, any questions that are on the addendum?

2. Fiscal Year 2026 Budget Amendment in the Amount of \$183,955.00 for Rail with Trail Pathway Construction

Simison: Okay. Then we will go on to Item 2, which is a Fiscal 2026 Budget Amendment in the amount of 183,905 dollars for Rail with Trail Pathway construction. Turn this over to Mr. Barton for comments.

Barton: Mr. Mayor, Members of Council, thank you. We are asking for a budget amendment to approve our proportionate share to the grant funding for 183,955 dollars.

Simison: Is there discussion? Councilman Whitlock.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Whitlock: I would move that we approve agenda Item No. 2, fiscal year 2026 budget amendment in the amount of 183,955 dollars.

Cavener: Second.

Simison: Have a motion and second to approve Item 2. Is there any discussion on the motion?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Real quick want to thank Mike and Kim. I had -- had memories of this project, it's been going on a long time and I appreciate Kim setting me straight, getting me educated today and really hope that we get this project moved forward and wrapped and lots to celebrate, so thank you, Mr. Mayor, thank you, team. Appreciate it.

Barton: Appreciate you.

Simison: And if I can, if Kim, Steve, John -- if we -- if we can also give an appreciation to COMPASS. We have -- we have taken COMPASS back and forward and through and in and out over the years for trying to make this happen through all the challenges we have had and they have been really good to us to help keep this project moving forward and us staying online. So, if we can send our appreciation to them would really appreciate it, so --

Barton: Thank you.

Simison: With that ask the clerk to call the roll.

Roll Call: Cavener, yea; Strader, absent; Overton, yea; Little Roberts, yea; Taylor, absent; Whitlock, yea.

Simison: All ayes. Motion carries and the item is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

3. Agreement Between Owner and Contractor for Construction Contract (Stipulated Price) Between City of Meridian and Mountain Companies, LLC for the Rail with Trail Pathway

Simison: So, with that we will move on Item 3, which is an agreement between the owner and contractor for construction contract between the City of Meridian and Mountain Companies, LLC, for Rail with Trail Pathway.

Barton: Mr. Mayor, Members of Council, if you approve this final item that we have for you this evening our contractor is ready to start, so we are asking for your approval of Mountain Companies to build the Rail with Trail Pathway in the amount of 949,269 dollars.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Whitlock: I move that we approve agenda Item No. 3, the agreement to move forward on the Rail with Trail Pathway.

Cavener: Second.

Simison: Have a motion and second to approve Item 3. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the item is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

Barton: Thank you.

Simison: Thank you. Good luck.

4. Employee Health Benefits Trust Quarterly Update

Simison: With that we will move on to Item 4, which is Employee Health Benefits Trust quarterly update. Christen? Scott? Who -- both? Either? Neither? Good evening.

Barney: Good evening, Mayor, Council. I have Scott Howell here with me from Gallagher. We are going to team -- tag team this presentation. As soon as it comes up. All right. So, we have been before you a couple times. One of the things that I wanted to just reiterate with all of you the trust commitments is to provide you quarterly financials, annual statements and audit results, so that you are aware of what's going on with the trust. Part of that is my return here today to provide you the latest update that we have and, then, provide overall analysis of the financial status of the trust. Again, another reason we are here today. And provide any answers to any questions that you might have along the way. So, as we were working through this, working through the presentation and the executive summary, there were some questions that came up about how did we get to where we are and so I know this is really small, but I kind of wanted to go back to when the trust actually was in a good spot financially. And so that was quarter three of '24. We had 765,000 and some change in the account that credited, you know, our reserve and our surplus funding. We, then, had quarter four additional claims and there is a typo. That should be Q4, not Q3 -- that came in at 877,000 dollars. So, it ate up all of that surplus that we had and put us in a deficit and we have remained in a deficit ever since. Q1 we had additional claims of 437,000 and so those claims really ran from quarter one and to quarter two. Now, we are at 550,000, which we came to you and asked for the funding to rectify that deficit. That funding was not received and accredited until Q3, which you can see there. And, then, in Q3 we had additional claims of 565,000. So, again, putting us into deficit. We reported to the Department of Insurance for Q3 a 748,000 dollar deficit. We had requested 182 to satisfy the -- the deficit that was remaining from quarter two. We received that in quarter three. So, it's all about kind of timing of when we get these funds, so that we can make sure that we are adequately funding and in an appropriate -- appropriate time frame. So, that leaves a deficit of 565,000. We project there will be a deficit in quarter four of 314,000. We have received a rebate for our pharmacy of 900 -- or 99,000. Excuse me. Getting us to the 781,000 that we are requesting this evening. I will pause

there, because I know there is a lot of confusion and trying to track this and trying to explain it, so I want to make sure I answer any questions.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Christena, this is helpful. So, when we are really reporting a Q3 deficit, it's actually a combination of previous quarters' deficits that haven't been paid entirely because the deficits exceeded more than we projected.

Barney: Correct.

Cavener: That piece alone I think is really really helpful. When I see a piece of information that says Q3 deficit, that's the number that I'm starting -- we are starting with zero and it's really --

Barney: Yeah. Not --

Cavener: It's not, it's -- it's Q2, Q1 in the past, so --

Barney: Correct.

Cavener: -- that to me helps me really understand how we got to this particular number, because it -- from a Council standpoint if it was like we are chipping away at this each quarter and the dollars are getting bigger and bigger and bigger. So, that at least satisfies my initial question. How do we get the 748,956 dollars. It would be helpful I think just -- Mr. Mayor, if I may. In the future the -- the previous contribution of 550,000 dollars isn't really reflected, whereas you reflect the 182,000 -- at least -- and I apologize, I have got three different memos that I'm trying to kind of track off of. In one memo -- the one -- one of them from today we recognize the previous funding from the city of 182,988, but we don't reflect, at least in this memo that I'm holding -- the 550,075 that we previous -- so, just feedback I think to the trust is the more clarity, the more transparency -- I don't know if you were here for the conversation about staff reports, but trying to make it easy for us to understand -- what's easy for us to understand -- there is probably less questions we are able to track and my other just piece of feedback is words are used kind of interchangeably, like in -- I'm thinking this one here we talk about additional claims, but additional claims is really building towards our deficit; right?

Barney: Based on our financial status right now, yes.

Cavener: So, I think it would be helpful for us to understand, okay, these additional claims resulted in X amount of additional dollars deficit, because later on you do reflect deficit, but up at the top you don't. So, just -- I think those are some feedback that will

help make it easier for me to understand and where I have had some real frustrations and challenges with getting information. The easier we can get it the better it is.

Barney: Thank you. I appreciate that feedback.

Cavener: I appreciate that. Thank you.

Barney: And I'm going to continue to keep this chart that you are seeing now, so it -- it can become familiar and I can just keep it rolling as we go on and as these debits and credits come in that way we have a familiar format that everyone understands moving forward.

Cavener: Perfect. And -- Mr. Mayor?

Simison: Council Cavener.

Cavener: I know we have still got some other action on this, but at end of the year what our total deficit was and -- versus what we projected it was going to be would be helpful, because I think it's important for us if we are -- we are going to probably spend over a million dollars and we projected on this and as we are getting ready to go into budget we want to make sure you guys have -- the trust has the dollars they need, so you are not having to keep them coming back, because I know that's not a fun thing for you guys either. I want to avoid that for you all as well. But if we can have -- and I recognize this is all driven by claims and we can't predict who is going to get sick and how extreme those claims are, but it's good for us to get a good sense of like, oh, we -- we spent a million dollars more than we anticipated, as we go into budget we should maybe probably plan to increase our budget by a larger amount, so that we are not finding ourselves in this situation.

Simison: And your CFO -- he does -- he does that.

Cavener: Okay.

Simison: He -- when these come in they are over what he thought they were going to be based upon the previous years increases their expectations, so --

Cavener: Mr. Mayor, he may want to have a -- a larger just trust conversation as part of our budget planning for this year, just so that we can be caught in the loop as to what those trends are, what's driving costs. I think that's --

Simison: I think that's the next part of this conversation.

Cavener: Okay.

Barney: Absolutely. So, what we anticipate is -- and Scott's going to get more into that as we get further into this presentation, but we tried to anticipate not ending in a deficit

and we had several factors this particular year starting actually in quarter three of last year that contributed to things that we just -- we could not foresee. So, like the city budget, you plan that out a year and a half in advance. We do the same thing and so we are trying our best at the estimates, looking at previous data, those types of things, but there are factors outside of our control. What I wanted to try to do and what I had committed to do, you know, from the trust is to make sure we are bringing that information to you a little more timely, that you guys are getting those updates quarterly, so that you aren't blindsided as you were this year.

Cavener: Great. Thank you.

Barney: Yeah. So, we have talked about this and I kept this in that slide, because it is still relevant. The remainder of 2025 we have got claims through this week. We know that those are exceeding our contributions to date and October through January are usually our highest months. So, I will turn it over to Scott here.

Howell: Yeah. So, this is just a snapshot of our monthly claims versus funding. You can see on the -- each month we have a fair amount of volatility based on the claims that come in. We also have some stop loss reimbursements for claims that are large enough to trigger the stop loss. You can see that most of the months of this year our -- our claims costs have exceeded our funding. We have talked a little bit in the past about what led to this. As Christena mentioned, we set these projections about a year and a half in advance at the end of the plan year. So, we are talking about setting these numbers in -- like the '26 numbers we were setting in the summer of '25 and so the tools and the information that we have is all historical and we make some projections assuming that things will kind of stay the same as they are, just with some inflation and as Christena mentioned in the fourth quarter of '24 things took a really serious turn for -- towards the more expensive and have -- have remained there. So, that's kind of what led to this. This chart -- we developed it just thinking that it would be a helpful illustration to show what the Department of Insurance requires us to maintain as far as a balance in the trust and that's the shaded green part on the bottom and that's composed of two -- two items. One is the surplus. The department gives us a couple of different ways to calculate that -- those two calculations. One of them is -- results in a 2.4 million dollar number and the other results in a three and a half million dollar number. We used the two -- 2.4 million dollar number and, then, the million dollar number. And then the other component is -- IBNR, which is incurred, but not reported claims. So, that's reserved to cover claims that -- where services have been rendered, but we haven't seen the bills yet and that amount right now is 479,000. So, between those two the Department of Insurance requires that we have a balance of just under three million dollars in the trust and you can see that since the fourth quarter of '24 we have dipped below that and we have a funding increase, a contribution increase coming in January and, then, with the request -- the amendment request to contribute to surplus, our hope is that we get above that green and stay there. Just some language from the State Code. I kind of wish I was a lawyer reading this, because it doesn't make a ton of sense. The bottom line is that they do have an amount that they require us to have. The requirement is also that we maintain that amount at all times. So, not only is

coming back every quarter not fun, it is not in compliance with -- with the department's requirement that we -- that we keep that at all times. So, our -- our thoughts to -- well, I will let Christena get into some more numbers and, then, we will talk about kind of some thoughts in the future to --

Barney: So, I just want to -- I just wanted to reiterate the financial status and really what we are looking at funding is that Q3 forward through the end of the year, so that we can get in compliance with the Department of Insurance and the state regulations that say we need to maintain that reserve and surplus at all times. So, it's really the request that we have here today. But in addition to that we also have some things for you to consider in the future and, again, we will be coming back and having these conversations, but just kind of wanted to kind of plant the seed and maybe have a little bit of conversation about the direction you guys feel is appropriate moving forward.

Howell: Yeah. So, again, our hope with the projections that we made for '26 is that we are adequately funding month to month, because of timing again we made those '26 projections in the summer of '25. The historical data that we had wasn't -- you know, we still had some of the good months from -- from late '23 and early '24 in that historical data that we used for the projection. So, there still is a chance that the '26 funding doesn't adequately maintain the trust balance that we need and so rather than coming every quarter and asking for one time infusions, our thought is, you know, would it be better to update our projections, you know, maybe quarterly if -- if we see that they are -- they are off by a certain margin and that could mean that we come and say, hey, we don't need to fund as much, because we have -- we have reached a surplus that's healthy and -- and we can reduce what we are contributing on a month or if it's another year like this we -- we would come and say, hey, based on how things are going we know that -- we think we know that the costs are going to continue to be above what we are funding and we would recommend just an ongoing increase in the funding, rather than trying to resolve it every quarter with -- with a budget amendment.

Barney: That's all we had for you, so I will stand for any questions.

Simison: Thank you. Council, any questions?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: No questions, but just for feedback that I'm going to only be supportive of seeing you guys on a quarterly basis for right now. We have had some struggles with getting clear and concise and accurate information. Until I feel that that's going to be satisfied I think -- unfortunately I think the funding request is the mechanism that ensures that we are doing these types of conversations right now. So, at least for me that's where I would be sitting tonight.

Barney: And to that point I think I would like to reiterate regardless of what our financial status is, a commitment is to bring this back quarterly. I think the idea is to not have to ask for money each quarter, to be able to adequately fund it, but in the event that we do need funding we want to provide you as many options as possible and instead of maybe a one-time infusion it's a mid-year rate change where maybe the city contributes a certain percentage higher for the remainder of the year to keep us out of that deficit. There is just some other options we wanted to explore with you.

Simison: Yeah. I think the goal -- how do we stay in compliance with the state and meet the Council's desire for information.

Barney: Correct.

Simison: How do we -- how do we achieve that. I think that's what I'm going to challenge everyone to think about between now and the next time we have a conversation. You know, I wish the state would go on record to more clearly define what we know is in their viewpoints based on the code, but we want to have a good partner in the state, we don't want to have a state partner that doesn't appreciate working with us, so how we -- how we bridge that gap, that's what we need to figure out, so --

5. Fiscal Year 2026 Budget Amendment in the amount of \$781,110.00 for Employee Benefits Trust Plan

Simison: Okay. With that we will move on to Item 5, which is the fiscal year 2026 budget amendment in the amount of 781,110 dollars for employee benefits trust plan. Technically I don't know if I'm presenting the budget amendment.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I signed it and --

Simison: Okay.

Cavener: -- so I'm happy to do that. This is -- covers a lot of what Christena and the team just shared, so, Mr. Mayor, I move that we approve the fiscal year 2026 budget amendment in the amount of 781,110 dollars for employee benefits trust plan.

Overton: Second.

Simison: Have a motion and a second to approve Item 5. Is there discussion on the motion? If not, clerk call the roll.

Roll Call: Cavener, yea; Strader, absent; Overton, yea; Little Roberts, yea; Taylor, absent; Whitlock, yea.

Simison: All ayes. Motion carries and the item is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

Simison: Council, that's the end of our agenda. Do I have a motion?

Nary: Mr. Mayor, one more thing. Mr. Siddoway did contact me. We took up Item 1 on the Rails with Trail. It was an agreement, but we didn't approve the agreement. We simply asked for if there was any questions, but we didn't get -- so we need to approve the agreement with Item 1 in addition to the one that we just approved under Item 3.

Simison: Okay.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Simison: Rewind the clock and approve agenda Item No. 1, an agreement on the Rail with Trail Pathway.

Cavener: Second.

Simison: Have a motion and second to agree to the addendum to the state and local agreement between City of Meridian and the Idaho Transportation Board and through the Idaho Transportation Department with the Rail with Trail Pathway. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay. The ayes have it and the item is agreed to.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Move we adjourn our special meeting.

Overton: Second.

Simison: Motion and seconded to adjourn. All in favor signify by saying aye. Opposed nay? The ayes have it and we are adjourned.

MEETING ADJOURNED AT 5:52 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON
ATTEST:

_____/_____/_____
DATE APPROVED

CHRIS JOHNSON - CITY CLERK