

Meridian City Council Work Session

August 20, 2024.

A Meeting of the Meridian City Council was called to order at 4:30 p.m. Tuesday, August 20, 2024, by Mayor Robert Simison.

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

Other Present: Chris Johnson, Bill Nary, Alex Freitag, Shawn Harper, Kris Blume and Dean Willis.

ROLL-CALL ATTENDANCE

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

Simison: Council, we will call the meeting to order. For the record it is August 20th, 2024, at 4:30 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item up is adoption of the agenda.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I move we adopt the as published.

Overton: Second.

Simison: I have a motion and a second to adopt the agenda. Is there any discussion? If not, all in favor by saying aye. Opposed nay? The ayes have it and the agenda is adopted.

MOTION CARRIED: ALL AYES.

CONSENT AGENDA [Action Item]

1. **Alamar Subdivision No. 1 Sanitary Sewer and Water Main Easement No. 1 (ESMT-2024-0106)**
2. **Alamar Subdivision No. 1 Temporary Utility Easement (ESMT-2024-0107)**

3. **Cole Valley Christian Schools Pedestrian Pathway Easement (ESMT-2024-0105)**
4. **La Vista Way Sanitary Sewer and Water Main Easement (ESMT-2024-0080)**
5. **Pine 43 Animal Farm Water Main Easement No. 1 (ESMT-2024-0108)**
6. **Sessions Parkway Sanitary Sewer and Water Main Easement (ESMT-2024-0109)**
7. **Approval of Subrecipient Agreement for City of Meridian Ninemile Creek Flood Mitigation Grant in the Amount of \$130,000**

Simison: Next up is the Consent Agenda.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: There are no changes. I move that we adopt the Consent Agenda as published. For the Mayor to sign and Clerk to attest.

Overton: Second.

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

MOTION CARRIED: ALL AYES.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There are no items moved from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

8. **Public Works Fiscal Year 2025 Republic Services Annual Rate Adjustment for Solid Waste Collection Services**

Simison: So, we will go on to Item 8, which is the Department/Commission Reports. If -- if we could have -- I don't know -- oh, it's going to be Alex. It's Public Works Fiscal Year 2025 Republic Services Annual Rate Adjustment for solid waste collection services. Good afternoon, Alex.

Freitag: Mr. Mayor, Members of Council, good afternoon. Thanks for giving me just a minute to introduce Republic Services FY-25 rate proposal. We just wanted to kind of tee this up real quick for you guys. As a reminder for Council, our solid waste franchise agreement with Republic Services allows for an annual contractual adjustment of 90 percent of CPI, Consumer Price Index, each year. This year that happens to be 3.38 percent. When Republic Services runs their numbers they sit down with us as staff, go through those numbers. They, then, present that information to your Solid Waste Advisory Commission, which has also been completed. Ultimately bringing that information to you, which is where we are at tonight. So, they are going to present to you here in just a moment -- give you the information on a proposal. This is just an informational hearing. So, I don't think we are asking for any official action items, although I think we are asking for some feedback and direction on how you feel about the proposal, so that we know how to proceed forward in terms of proposing a resolution, public hearing, et cetera. So, with that I will stop there, unless you guys have any specific questions for me. I will, with your permission, turn it over to Republic Services to give you their proposal. Thank you.

Simison: Thank you, Alex. Cord, nice to see you.

Stanley: Good to see you, Mayor. Appreciate your -- excuse me. We appreciate the audience today, Mayor and Council. I think if we were here today simply to present the contractually agreed upon increase, then, there wouldn't be a whole lot of conversation, but we will get to that in a minute. For those that I haven't met, my name is Cord Stanley. I'm the general manager for Republic Services of Idaho and this is Margaret, our finance manager, for -- for the same and we truly appreciate the audience. Let's see. The -- the presentation's pulled up. This presentation is going to really focus on what -- what -- what our ask is; right? The -- the ask up and above what we are here to do -- or the contract and that's to pay for a market labor adjustment for our -- for our drivers today. So, before we get into it are there any questions? Okay. So, the bottom line of our ask is we are seeking an additional 390,000 dollars or what it equates to be about 1.6 percent of the contract's service revenue. How we derive that 390,000 dollars is we -- we, essentially, took the contract revenue of our total business unit and -- and -- and took our market labor adjustment, what we think we needed, and then -- and, then, essentially, assigned a percentage of -- to that revenue. So, let's say for simple math if the City of Meridian is 25 percent of our total revenue, then, if -- we need 1.8 million dollars for our market labor adjustment, then, the ask was about 400,000 dollars for the City of Meridian or 450,000 dollars. So, that's kind of the methodology behind it. Three hundred and ninety thousand dollars does not make us whole on our -- on the -- on our market labor adjustment. That's -- that's certainly us internalizing a significant portion of that. But 390,000 dollars is our ask of the city. Right now our starting wage is approximately 20 dollars per hour for a driver and we are trying to get our drivers up to roughly 24 dollars per hour. For equivocal work by some of our competitors in the market they start at 25 dollars and 26 dollars respectively for the -- for the major two. So, they -- they have significantly outpaced us on wages at this point. We pride ourselves on being cost controlled and saving -- saving our cities, you know, a lot of money through the years, while being financially responsible to our company, but at a certain point we -- we have to do the right thing and take care of our folks and get them to a more equitable wage for what the market truly demands at

this point. What this, in essence, represents, that 1.6 percent, is 26 cents for a 95 gallon cart per month. So, it's about a quarter per month for a residential customer. It's \$1.37 for a three yard commercial customer once a week and \$4.60 for a roll-off haul. So, it's - it's -- I'm not saying an insignificant number by any stretch of the imagination, but it is 1.6 percent and we will frame that with a little more context here. So, this is the CPI. This is -- this is how our rates are increased every year. So, the full CPI of the garbage trash CPI index is 3.763 percent. Now, we get 90 percent of that with six percent of our franchise -- for a franchise fee remitted back out of that. Not all line items in the contract are eligible for CPI. So, when you take all -- like the -- the total contract revenue and you actually apply what we get, the real number that our rates increase by -- or the revenue of the total contract increases by is 2.552 percent this year. So, I think it's important just to frame when we -- when we say it's, you know, CPI based, it absolutely is, but it's -- it's a little bit less than I think what everybody thinks it is in general. Certainly was me, right, because until we actually did the math and put pen to paper on this I thought it -- I truly thought it was a little -- it was a little bit more than that, so -- these are our donations and I -- I frame this because, you know, we are members of this community. We want to be partners; right? We -- we -- we -- we feel like we provide a tremendous amount of value to the city and we truly appreciate everything that the city does for us. The original contract had 19 donated -- 19 sites with donated services and over the last approximately ten years that's grown to 36 donated sites. I think the original intent of the contract was that donated services grow proportional to the contract's revenue. But this is -- this is a city of substance. This is a -- this is, you know, by -- by -- for most perspectives this is a premium city to live in and the city offers a lot of services and donated services to support the city have grown 400 percent in this -- in the same time frame to the contract revenue growing 140 percent. So, donated services has far outpaced the contract's revenue to support them at this point. So, we are not asking for anything to be done about that, we are just framing that for reference on -- on -- on some of these items through the years and why it's tough to internalize our full ask. As members of this community and partners there is also things that we do up and above the contract. So, right now annually we provide approximately 173,000 dollars of donated services, even up and above what's contractually obligated. So, currently Republic Services pays for all disposal on donated services. We pay for all the hauls from the transfer station and the -- like the recycle hauls, like people can drop off, we pay for those roll off hauls to get to the MRF and, then, the hand-in-hand, which is a separate like recycle program for the community. So, we -- we do that in the spirit of partnership and have done that for years. This is a high level summary by category truly and -- and being fully transparent this is not my favorite slide. This is -- this is something that I -- we -- you know, that I think annually we provide. I'm going to look at the Council and Mayor a minute to review this and see if you have any specific questions, rather than going through this line by line. And if there is no other questions on this slide we will keep moving along. We are going to flip to the last. We are going to start -- we have a couple appendix slides and we are going to start with the very last one here first. These are example breakdowns of this year's ask, both what was contractually obligated and what we were asking for in addition to -- this is the blended breakdown by service type. Now, this -- these are, obviously, not all of our rates. These are -- these are samples of a commercial service, roll off service and a 95 gallon cart, but this is how it is all broken down. So, essentially, our labor ask is 26 cents of our dollar

and three cent increase year over year for a 95 gallon cart. So, it's around 25 percent of that total ask.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: How are your volumes doing? Like from -- your margins are getting squeezed a little bit, but I'm assuming that your volumes are going up, but the amount of growth in the city -- like help me contextualize the labor increase, because we did do an out-of-contract labor increase recently and when we start to see multiple requests like this in a row it makes me start to think that something about our contract isn't really functioning well for this interest rate environment, but are you able to make up for your margins getting squeezed with volume? Are you finding efficiencies? How are you kind of dealing with it holistically?

Stanley: So, we -- we let data kind of lead us to our conclusions; right? Volume is certainly looking great; right? The city is growing, the valley is growing, but those costs are usually incremental and as they go up they -- the revenue of a contract typically supports that growth with the current margin; right? That's the structure of a contract. I think the purpose of -- of kind of the -- one of the -- one of the earlier slides was to show that like what our actual reimbursement from the CPI index each year is, it's rather thin. It -- it -- it is to support the contract year in, year out, and I think we are -- we are totally willing to accept that and -- and -- and -- for as large of a contract this is and the stability of the work and so we are -- we are okay with that. What does put strain on the contract is -- is often a lot of these -- these donated services growing up -- growing disproportionate to the contract's revenues. That's one of the first things that we kind of saw and identified and to the point like think our donated roll-off hauls were 980 to the city last year. So, almost a thousand roll-off hauls were donated. You know, more so one of the things that I -- I didn't mention earlier is that our turnover is 42 percent. So, it was not 42 percent last year. Okay? So, last year we actually gave a nine cent deduction for our residents off their residential rate last year. So, I don't know if that's something that was advertised or not, but we found some efficiencies from our transfer station. We are -- we are moving tons a little quicker from -- from some infrastructure upgrades, so we gave the residents a nine cent break and as far as what was given previously from a market adjustment, it was 11 cents. So, in spirit we have essentially given the majority of that back already to the community. As far as who is this for -- fun fact and this is something that we -- we weren't able to provide SWAC when they asked. I had to -- when -- when we were asked I had to go back and do some research. Fifty-one of our employees actually live in Meridian. Twenty-nine of them are drivers. It's only 31 routes -- and I say only. It's -- it's a significant number. Thirty-one routes support Meridian. So, almost a one to one for the drivers that support Meridian live in Meridian. So, when -- when we are asking for this in -- in -- in kind of in spirit, you are -- you are paying your own people.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. And -- and I mean I have your -- I appreciate the -- the financial model, you know, being posted for this. I guess what -- what wasn't clear to me from this, though, was like how are your -- whether you are measuring it in hauls or carts or some type of volumetric, but what is your total revenue in terms of bottom line to you? How much is your growth in your revenue from year to year?

Stanley: I can't answer that just off the top, ma'am. I'm sorry, I have got a little too close here. But I -- I can't answer that off the top of my head what our revenue growth is. It's typically between price increases and volume around four percent, five percent; right? So, if -- let's say if a contract allows for a three percent, you know, price increase in a year, you know, we know roughly population growth is two percent here year in, year out and so you can reasonably expect about a two percent, you know, top line revenue growth from that, so -- and -- and we know price does the same; right? So, you -- you aggregate those together and it's four to five percent, but I -- you know, that -- again, those are typically just to pay for current costs and that scales with the volume; right? So, we are talking about a roughly 20 percent increase in labor for this adjustment. That's the goal is to -- to pay our people basically 20 percent more and that's not -- that's -- that's not covered by volume, that's not covered by an index.

Strader: Uh-huh. Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I think where I'm struggling a little bit -- I understand labor costs have gone up. Totally understand that. I understand inflation's happened. I understand all those things. I think where I'm struggling a little bit is you are asking us to do something that's out of contract. So, again, we have done that before, but I felt like that was pretty extraordinary. So, you are asking us to do something out of contract, but I don't have the context for the profitability of your business.

Stanley: So, I can about profitability. You know, getting into contract specifics is proprietary information. I can't talk about Meridian specifically. What I -- what I can say is that our company -- our net profit as a company was roughly -- I think it was -- was it 13 percent or 11? It was 11.6 percent, actually, in 2023. It was 11.6 percent. So, in -- in spirit when a -- when a customer pays us a dollar we make 11.6 cents on that, which, in my opinion, isn't unreasonable; right? That's -- that's our company average. I can't -- I -- again, I can't divulge proprietary information at the contract level; right? That just kind of aids our competitors, but what I will say is this market is a reflection of our greater company. You know, in general we -- we are -- we do not -- we -- we make money, but -- but we are not making money hand over fist by any stretch of the imagination and when contract -- contracts get strained kind of beyond that for this, that and another reason, that's when we have to come hat in hand and -- and ask for something.

Strader: Yeah. So, I -- you know, the last time we considered a similar out-of-contract labor adjustment I believe a member of the Public Works team, you know, did kind of a comparables analysis of everything to make sure that we thought we were getting a good value for our contract. So, in light of that request to go out of contract I will be looking for a similar analysis to be done, so that I could feel confident that we are still getting a good value -- and I think we are and we recently did that analysis and this isn't a large change, but I would want to see that and I think that's justified, because, again, without -- with only seeing a piece of your business and not even the full -- I guess financials on the business, it's kind of hard for me to agree without some kind of context from a comparable standpoint. Otherwise, it -- it would be really similar to you asking me to help you with a cost to your business and we want to make sure we are getting a good value for what we receive. It's not our job to manage your margins or -- you know, that's your job; right? So, that -- that's where I'm kind of running into a little bit of -- just a -- an intellectual kind of hurdle that I'm going to need to understand more, so -- that's why I was asking about whether it was volumes or whatever, but --

Stanley: Yeah. Hey, you are not -- you are not hurting my feelings. We -- I think we -- we totally understand that. You know, we -- we -- we are -- we are proud of our work. We stand behind it. We know -- we know what we bring to the table and we love being members of this community. What I -- what I flip to this slide and what I wanted to show is, you know, by using CNG trucks, we -- we also are crediting the city of UTC tax credit that we permit 14 cents per resident back to the city as well. That's all -- that's also an item that wasn't discussed earlier, too. So, when we were talking about last year we gave nine cents back to the -- to our residents, we are discounting another 14 cents here and it's already getting very close to the 26 per 95 gallon cart that we are asking for per month., So, you know, we -- again, we are not perfect, we are not going to pretend to be perfect, but we love -- we love being here and we -- we try to provide our value and -- and -- and look -- and every opportunity that we can give Meridian what -- what we feel like Meridian is owed.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I -- I -- I appreciate that and you have been great partners for the City of Meridian and I have a lot of appreciation for your company and how you have been running things and trying to find efficiencies. I think -- I think just -- I -- the donated services are important and they are -- they are a piece of the whole picture and so that - - that's kind of where I'm getting at with that analysis is, you know, you may donate some services, you may charge more for services, at the end of the day it's like what -- what is the bottom line to us is like kind of how I'm doing it.

Stanley: And this was -- you know, we are presenting a blank -- kind of a blanket 1.6 percent rate increase. There are other ways to attack this problem. I don't know if there is an appetite for that. You know, that's -- that's something that we have discussed with staff and vicariously the Mayor and so I -- I really yield to them on -- on their decision and what they want to present or suggest or recommend. But there are other ways to do this

than a blanket 1.6 percent and another statistic that I want to highlight is, right, we are -- the total ask, right, when we are talking about CPI plus labor, it's a 4.24 percent increase for a 95 gallon cart. So, I think that's important, that it's a -- it -- it's -- it's still -- it hovers around CPI.

Simison: To -- of course, piggybacking off of this question -- and some of these I don't know exactly where we are going to go with my comments, but I -- I guess I got up and talked to the community about the fact that we are only getting 90 percent of new construction from the state to try to provide services to our community. Someone way back when said 90 percent of CPI was appropriate. I don't know who, how, why, where. Is that appropriate? Why not -- why would we -- why would we tell you, no, not one hundred percent of CPI and if we went back over the length of this contract and said if it was a hundred percent every year where would that number get us to today and -- and so that's -- I just -- just -- the other thing that I will mention is -- and -- and so even with the donated services it is that there -- should we be looking at truing up to real costs, so we are not trading costs and services. They are trading value for what should be a cost to somebody and, again, I don't know who all the roll-offs are for for free. If those are all city events that, then, becomes a general fund, operational expense or a Public Works Enterprise expense that it doesn't impact, but I think those are -- is it worth looking at the bigger picture and that's what -- some of the comments where you mentioned other ways to do this. There are other ways to do this. You can just go -- like say adjust all of our other services and I -- you know, my -- my two cents so far has been I think that's a great conversation for when we do the bigger adjustments towards going towards a program that has, you know, green recycling components to it, compared to going and making a bunch of other adjustments throughout the program right now. So, just two cents on do we need to chew things up and change or do you think that this should stay the way it is for the next ten years?

Stanley: So, here and -- and I -- I agree with you, Mayor. I -- I think that our opportunity to look at some of these other items -- some of these bigger items should come when we are -- when there is a bigger event; right? When there is something more structural to look at. What I will say about the 90 percent of -- of CPI is that that forces us to be very efficient. It forces us to run a solid financially responsible business; right? So, I -- I -- I genuinely think that that's -- it's an appropriate amount. I -- I -- I don't mind living in the 90 percent of CPI. I think there just has to be an understanding that when -- you know, when in -- you know, in good faith that when there is kind of exponential increases in the cost of living that maybe are not accurately reflected in a CPI; right? Because I think we can all agree that the cost of living in the Treasure Valley has gone up disproportionate to the -- any national indices; right? So, it's hard to say that the -- that indices really covers us in our costs of doing business here. So -- so, my ask is -- I think 90 percent is appropriate, because it forces us to live in a cost constrained environment. It's just that the -- you know, the Council comes with an open mind that when -- when we do have some of these costs that -- that we continue our partnership with them. To -- to answer another question that you had more pointedly, if we had received one hundred percent of the CPI over the last three years we would -- and -- we would have an additional 1.7 something percent. So, we will just say 1.7 percent in annual revenue. Now, that's

noncompounded, but it's 1.7 percent over the last three years. So, that would have covered this market adjustment.

Whitlock: Mr. Mayor?

Simison: Councilman Whitlock.

Whitlock: Mr. Mayor, Cord, first a comment and --

Stanley: Sure.

Whitlock: I -- I support increasing the wages for these folks that -- it's 107 degrees outside and they are pulling off your lot at 5:00 o'clock in the morning, you are asking a lot of them. So, I think going from 20 to 24 bucks an hour is entirely appropriate for those -- for those individuals. Paint a picture for me, though. I -- I live in a fairly small subdivision, 25 homes. Those drivers are efficient. They can work my subdivision probably in five to seven minutes. I have never timed them, but they can get through there in five to seven minutes. So, if I -- well, Mrs. Whitlock has two 95 gallon cans, so I will just count one. But if you do the math for me -- I mean in five minutes they are going to more than cover that four dollar an hour increase that's being proposed for them. Now, not all commissions are created equal, but what I'm trying to drive at is -- is that 26 cents per can an appropriate increase given the -- the volume that you expect them to produce per -- and I don't know how you calculate it -- per half hour, per hour, per day.

Stanley: So, talking about the methodology of how this kind of all worked out, essentially, like Meridian's piece of our total market adjustment -- because we are such a -- we are so embedded into the communities here, we can't just say we are going to raise city of Star or the city of Meridian or city of Boise driver's wages. I mean that that's -- that's something that's been thrown around before, like if -- if somebody is willing to pay their drivers more do we just pay those drivers more? But, ultimately, that just causes labor relations issues. So, we have to keep things even across our cities and that's why when you ask for like a cost of service analysis what you are going to find from Republic is we are very even amongst all of our municipalities here, depending on the level of service they want; right? Like Boise has mandatory organics green waste; right? So, that's going to be an additional charge that they have that -- that our folks here don't have, unless they have it in subscription; right? But that -- the 390,000 dollars is essentially -- it -- well, it's one -- it works out to be 1.6 percent across every line item in the rate sheet and when you just take a -- a -- a weighted average of all those, it translates out to that 390,000 dollars and it so happens on a 95 gallon cart 1.6 percent is 26 cents. So, that's kind of how we -- we came up with that number and I think I have said it before, but I will say it again, we run a very efficient operation and our numbers are -- are very dialed in. There is a -- you, know our -- our overhead and the -- our -- our cost of doing business is not limited to what we see here. You know, we have a call center in Phoenix. There is a lot of -- you know, we have corporate legal fees. We have rents. We have, you know, depreciation of all of our infrastructure, be it a transfer station or the hauling yard with the CNG rails and so there is -- there is a lot -- there is a lot going on up and above the collection.

Overton: Mr. Mayor?

Simison: Councilman Overton.

Overton: Cord, you had a few high level questions.

Stanley: Yes, sir.

Overton: This is a low level question.

Stanley: Okay.

Overton: One of my neighbors asked me what this increase looks like. Could you just go over one more time based on either a 95 gallon -- most of my neighbors all have 95s, whether it's recycling or trash.

Stanley: Your -- your -- your rate is going up \$1.03 and 26 cents of that is dedicated to labor.

Overton: And that's per 95 gallon container?

Stanley: That's -- that's for the first 95 gallon container at your house. The second -- the -- the second cart is just subject to CPI. We are not touching those rates beyond the CPI.

Overton: Got it. Thank you.

Stanley: Yes, sir.

Simison: Council, any additional questions or comments? I don't even know if we are through all your presentation, if there is some more to go.

Stanley: We -- we skipped a couple slides that I think are a little redundant. I think we got the gist of what we needed out there.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: What labor increases are you proposing for other cities?

Stanley: The same. All of our drivers are going to do this and we are making this ask of all of our cities and if it's any consolation for a yes vote, you know, Boise is going to -- to -- to -- has committed under their contract to do this.

Strader: I was just more curious. Okay. Well, I think we can reflect that information in the comparables worksheet and that would help us understand how it would likely shake

out. And, again, I'm not trying to argue or anything, it's just -- any business could try to pass through a cost increase; right? It's not for me to judge whether your margins are appropriate or you are efficient or not. It's really more bottom line are we getting the right value still and my guess is, yes, but let's take a look at the information.

Stanley: You owe it to your constituents, just like we owe it to our organization, and we totally understand.

Strader: Yep. Thanks.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: If we are at the end of the presentation I guess I do have some -- maybe some requests between now before a formal action is going to be taken, if now is the appropriate time for that.

Simison: It's appropriate as I am aware. So, go ahead.

Cavener: Great. Thank you, Mr. Mayor. And, Cord, apologies for -- for not being there in person. So, first, maybe just a quick comment. I really want to commend the Republic staff. I really feel the level of customer service has really improved over the past five or six years. I remember when I was first on the Council I had some real concerns with the feedback that I was hearing from our citizens about response or follow up and I really feel like that Republican has stepped up big to be a good partner in our community and, Cord, I know that's the DNA of your organization, I just -- I want to commend you and your staff for -- for leading into that.

Stanley: Thank you, sir.

Cavener: A couple of -- a couple of maybe comments or some requests and I think the first kind of begs the -- the question about the contract. And, again, I have been on the Council for -- for ten years and it seems every couple of years the Council has a conversation should we look at -- at doing a new contract and, ultimately, the decision is, hey, that's maybe not in the best interest of our community or maybe it's not in the best interest of Republic, it's mutually beneficial and so we -- we continue to move on. We are -- I'm starting to scratch my head a little more and I'm not -- I don't know what the answer is, but I can appreciate from your standpoint as a business operation that you are providing a lot of -- a lot of charitable services to the City of Meridian and our residents benefit from that, whether they realize that or not. Likewise, there are requests -- like the labor request that comes before that is an out-of-contract request and they all may pencil out in the end. I think for me the piece that I always focus on is how are we being the most transparent with our citizens; right? All the charitable acts that you do do for our community, how -- are we doing a good job of communicating them? And is it better to capture all of the -- the charitable acts that you do in a new contract that provides you

greater mechanisms for labor requests or other requests that you got to make. I don't know what the answer on that is, but I just -- I know whenever -- it seems every time that Republic comes before with a -- with a labor -- or with a -- a price increase request is that we are reminded about all the things that you guys provide that are not included in the contract. So, that may be a conversation for a later date. I guess what I would like to see between now and when a formal request is going to be asked of Council to make is -- is a handful of things. So, one, Mr. Mayor, is I guess maybe for you to work with our CFO - - I would like a detailed analysis so that I can fully understand how labor impacts CPI. That's something that I -- I felt like when we last had our conversation about a labor increase that was a piece that came up and so I would like some greater understanding. The second to that I would also like to see a -- I guess a -- a ten year snapshot of these items that are before us right here on the slide. So, yes, it's -- it's small this year, but that is on top of another small amount the year before and before and before and I want to make sure that I have got a good understanding as to the totality of those increases and -- and what they have all resulted in in terms of improving the level of service and certainly, Cord, I appreciate you sharing. The vast majority of the -- the -- the people that drive our routes in Meridian are Meridian residents. I think it's a top priority for all of us. We want people to be able to live and work in our community in all the different job sectors and you sharing that to me is really really compelling. I just want to make sure that I have got the clearest and most transparent amount of information before me before I'm asked to make a decision.

Stanley: We -- we totally understand that. I -- I -- I don't see a problem with being able to provide a lot of that information and what I -- what I do want to qualify, though, because I just don't want there to be any misconceptions, not all 29 of those drivers service the City of Meridian. You know, we don't -- we don't necessarily like to pair people to Meridian routes --

Cavener: Sure.

Stanley: -- but what I'm saying is 29 of our drivers support this contract and there is only 31 routes being run. So, it's -- it's almost a one to one across the board.

Cavener: Nevertheless I -- I appreciate that.

Simison: Okay. Alex, anything you would like to add based on the request you have heard and timing for all aspects moving forward, including when the proposed rate increase would like to be considered, so we can appropriately time out next steps?

Freitag: Mr. Mayor, I -- I don't think we have anything to add. We will work on these items. I don't think this is a heavy ask at this point. So, I think we can get these things pulled together relatively quickly. We have most of this data ready. So, we will do our best to stay on track with our original schedule in terms of trying to get all of this wrapped up in time for the new fiscal year on October 1. So, nothing to add on that right now. I think we can get this pulled together relatively quickly.

Simison: So, either next Tuesday or the one September 9th -- 10th?

Freitag: We will -- we will commit to next Tuesday at this point.

Simison: Okay.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Is that committing to provide the information by next Tuesday, because, then, we also have to review all the information. So, I would say give yourself a couple weeks to work through the whole process. That's -- I don't know.

Simison: How about information by next Friday and coming back on the 10th of September for any questions or additional presentation?

Freitag: We see this as another workshop session probably --

Simison: Yes. That's -- if that -- yeah. And we can work with Council to see if they have questions that they need answered to determine whether or not it will actually be on or if the information is enough at that point in time. And, Council President, you can make that decision. Okay.

Cavener: Your thinking, Mayor --

Simison: Yes.

Nary: So, Mr. Mayor?

Simison: Mr. Nary.

Nary: Mr. Mayor, Members of the Council, I guess -- I think the only question we have is noticing up for an increase. If we are trying to get an increase in place by October 1 we can notice up a hearing for an increase with whatever -- the highest amount that they are requesting, kind of like we do for the budget, or do you want us to wait until you have another workshop in two weeks and, then, begin the noticing process? We will miss October 1 in that case.

Simison: Well, that's kind of what I was referring to in terms of our time frame that -- I think Alex is trying to push until next Tuesday, so we didn't fall behind.

Nary: Right.

Simison: But it's a combination of the information, meetings -- you could do it on the 3rd as well.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I think unless Council has an objection, that's noticing at the requested amount, very similar to how we would do budget and, then, we can make a formal decision on the 10th.

Simison: Not seeing any objection to that viewpoint, we will move forward.

Freitag: That's how we will proceed then. Thank you.

Simison: Okay. Thank you.

Stanley: Thank you, Mayor. Thank you, Council. We sure appreciate the time.

Simison: All right. Council, we are at the end of our work session. Do I have a motion?

Strader: Mr. Mayor, I move that we adjourn the meeting.

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

MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT 5:07 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

_____/_____/_____
DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK