

Meridian City Council Work Session

July 20, 2021.

A Meeting of the Meridian City Council was called to order at 4:32 p.m., Tuesday, July 20, 2021, by Mayor Robert Simison.

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

Members Absent: Luke Cavener.

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Brad Purser, Crystal Ritchie, Jamie Leslie, Kris Blume and Dean Willis.

ROLL-CALL ATTENDANCE

☒ Liz Strader	☒ Joe Borton
☒ Brad Hoaglund	☒ Treg Bernt
☒ Jessica Perreault	☐ Luke Cavener
☒ Mayor Robert E. Simison	

Simison: Council, we will call the meeting to order. For the record it is Tuesday, July 20th, 2021, at 4:32 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item is adoption of the agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move the adoption of the agenda as published.

Borton: Second.

Simison: I have a motion and a 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 adopted.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

CONSENT AGENDA [Action Item] Approved

- 1. Approve Minutes of the July 6, 2021 City Council Work Session**

- 2. Approve Minutes of the July 6, 2021 City Council Regular Meeting**
- 3. Edington Commons No. 1 Sawtooth Middle School Connection to Linder Road Pedestrian Pathway Easement**
- 4. Hill's Century Farm North No. 1 Water Main Easement No. 2**
- 5. Final Plat for Poiema Subdivision (FP-2021-0034) by Civil Innovations, PLLC, Located at 3727 E. Lake Hazel Rd.**
- 6. Findings of Fact, Conclusions of Law for Skybreak Neighborhood (H-2020-0127) by Laren Bailey of Conger Group, Located at 3487 E. Adler Hoff Ln. and 7020 S. Eagle Rd.**
- 7. Development Agreement Between the City of Meridian and Idaho Auto Mall LLC (Owner/Developer) for Artemisia Subdivision H-2021-0014, Located at 1690 W. Overland Rd.**
- 8. Agreement for Use of Kleiner Park for Special Event Between the City of Meridian and Soul Food Festival, Inc. for Soul Food Festival on August 7, 2021**
- 9. Professional Service Agreement Between the City of Meridian and Nicole Goggins for Artwork for 2021 Traffic Box Community Art Project**
- 10. Task Order Between City of Meridian and Ben Konkol for Mural Installation at Meridian Cycles**
- 11. City of Meridian Financial Report - June 2021**

Simison: Next up is the Consent Agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move the adoption of the Consent Agenda and for the Mayor to sign and Clerk to attest.

Borton: 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 adopted.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

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

DEPARTMENT / COMMISSION REPORTS [Action Item]

12. Mayor and City Council Compensation Committee: Report and Recommendation

Simison: So, we will go on to Department/Commission Reports and first item up is Item 12, which is the Mayor and City Council Compensation Committee Report and Recommendation and I will ask Mr. Evarts to come forward and present their findings.

Evarts: Thank you, Mayor, City Council Members, for the time today. I apologize that I wasn't able to be here last week, so thank you. So, the committee got together. This is a brief overview of what we are going to be covering today. I will keep it brief, because I'm sure there will be lots of questions and I want to save time for those. But the compensation committee. So, these are the individuals that we reach out to in the community. So, for those of you who aren't familiar with the process, every two years we get together as a compensation committee and we specifically discuss compensation for you and for our Mayor. We take that pretty serious, actually. So, we had some new members on the committee this time around, which was a lot of fun, so -- but the members that are on here is Clint, who has been on there forever. Dave Ballard, Joe Greer, Jeffrey Hall and just to let you know, Lori and I did buy some land in Scotland that had an existing lordship. So, I'm now Lord Joshua Evarts and she is Lady Lori Evarts. So, just in future, Clerk, if you can make note of that that would be fantastic. But that's your committee. We met I believe two -- it might have been three times, but -- but to review all this stuff. It was a lot of fun and lots of vigorous conversations. So, to begin with we always look at market data to start this process. Not because this is driving anything specific, we don't as a -- as a committee we don't sit down and look at market data and go, oh, well, we should, you know, pay our mayor and council members the same as Boise or we -- you know, we have got to be more than Eagle or -- or anything like that. We look at this just to inform and give us some data points as to how the market is moving and be aware of -- if we are trying to attract the best talent to run for city council, to run for mayor, and part of that public service is compensation and we are well aware of the amount of time that you all are spending, then, we should be aware of what the market is, in fact, bearing. So, just for your knowledge -- Crystal put this together. She was fantastic, because none of us on the committee could actually make these calls and make that happen, but the salary data for the valley is as such as of June 21st. So, you can see kind of a rundown here of where the mayors are being paid. We did have lots of discussions, because we do know some of these individuals as to -- we talk a lot about it and I will get to it later in the brief, but what is kind of expected value, meaning, you know, what is our expectation of our mayor, of our city leadership, and what value do we believe they are bringing and by extension the salary that we -- that we suggest that ultimately you guys decide on, is -- is it in line with what our expectations are. Like if we just want you guys to show up on Tuesdays and, you know, here is some stuff and get out of here by 9:00 o'clock and --

and, you know, gavel this thing through, then, there is low expected value, so, therefore, the compensation should be low. But what you guys have shown is that that's not how you guys operate and so, therefore, we should be -- regardless of who sits in these seats, we, as a compensation committee, want to create an expected value that we are looking for the highest and the best and that should be reflected in what we recommend. So, this is some mayor data just for you guys to look at. Again, not anything that necessarily drives our decision. City Council likewise. These numbers were much worse if you remember two years ago who -- and I promised that the committee asked me, again, to come up here and represent this, but they asked me to tone down the shaming, so they are -- that's not my goal tonight is to -- like we are very grateful -- I think the thing that we came back from as a group was we really enjoy getting together every two years and doing this hard work on -- on your behalf. But we definitely address some things with City Council compensation here. Those numbers were much lower two years ago, but you can see the rest of the municipalities and kind of where they sit and one thing that I would point out -- and this is specifically for you, City Council people. One of the things that we are very impressed with as a committee is the amount of work that you guys do outside of the time here. Like we already know you guys pull midnight duty and all that kind of stuff and we know you are here for workshops at 4:30 and there is lots of time that you are spending. But we also see the activity that you guys engage in outside of this and we want to be honoring of that as well as we make our recommendations. So, that's the market data. So, some observations we made. Excuse me. So, we had recommended two years ago that maybe we shift to a model where we are taking this out of the committee's hand and maybe looking at raises and adjustments to your guys's compensation in line with decisions that you guys make on the broader employee base. We really felt very strongly as we had two years to kind of think about that and see the changes that are -- that are happening in our city that we want to -- we want to maintain this job. Like it's -- it's pretty important and I think that this market is so dynamic and going through so many changes, we want to protect this group specifically on your guys's behalf to make sure that -- twofold. One, that we are in line with all the dynamic things that are happening in the valley and, number two, we want to set a higher expectation for you guys in terms of the value proposition in terms of how we expect you guys to interact and do your jobs and that the compensation is commensurate with what we are seeing and what we expect to see in the future, as well as what we expect to see in future candidates that might run for these positions. Since 2000 -- this is a data point we just updated. We have only in 20 years done five salary increases for City Council and 11 times for Mayor and the 2020 committee -- so, our last go around what was recommended and improved was increases to City Council compensation and we only did a cost-of-living increase for the Mayor. So, one of the lessons that -- that we learned in this process -- and we talked about it two -- or I talked about two years ago is you can only eat an elephant one bite at a time and we talked about making these incremental steps and one thing that we did wrong two years ago is that we didn't recommend a Mayor increase and starting to work on that and what we find is if we go back to some mayor data, we are way out of line and -- and we really should have made a run at that two years ago and recommended an increase and not just for City Council, because we just -- in two years it's amazing how quickly we can -- we can get behind in -- in what we should be paying our Mayor. So, as we specifically talk about what our recommendation is to you guys for

consideration today, is that we firmly believe that the Mayor's salary is out of line with the current market. What our Mayor is engaged in, just the dynamics of a year of COVID -- I think it's very easy to go, oh, well, a year of COVID, you know, Robert got to sit at home and just, you know, take a year off. That -- that was not the case and the committee recommends a 12 and a half percent increase per year for the next two fiscal years. That sounds like a lot. What it nets out to be is less than 120,000 a year after two years. So, we are still not talking about -- even though the percentages look large when we start talking about even real dollars, we think that's in line with where the market is at and what we are expecting of a mayor in our marketplace. We further recommend -- and I have this on both slides -- that we are going to change the city statute to withdraw the automatic raises for mayor and -- and really, you know, ask that you guys can trust us with that compensation for the next two years and that we will work hard two years from now to, you know, do the hard work to get this right. That's the mayoral recommendation. City Council. We are still trailing a little bit. I mean we took a bite of this, but we still feel like there was an opportunity to get this more in line, so we are recommending a seven and a half percent increase in '22 and '23. We feel like that gets us to a number that is appropriate as we kind of project what -- what we think this market is going to look like in the next two years and also what we are expecting out of you guys as City Council members. I -- I like the fact that we have got some really great business leaders on this committee. So, we take a very -- we are very sensitive to the fact that you guys are elected and we are asking you guys to make a tough decision to give yourself pay increases, but we also realize that if we were running this as a business we want to have pay that's commensurate with the value that's expected that you guys are bringing to the positions. So, that's our City Council recommendation. Again, we also want to withdraw the statute requirements to automatically bump you guys up. We want to reserve that for ourselves and not that we are trying to lord over you or -- or gain any special access to you guys, we love sitting down as a group and talking about you guys and -- and figuring out what makes sense and we also believe that in the future there could be instances, you know, certainly for those of us -- I have lived here 30 years, but there are certainly times where we atrophy and there is recession and there is tough times and we want to make sure that we protect that as well and make sure that if the city is suffering that we have got a mechanism in place to be able to make proper adjustments. So, just some high level analysis, just to kind of close this up. Compensation for Mayor and City Council members has been a by-product of demographics and market growth in 20 years. Like we are at a place right now, because we have had a city that looks very very different from 20 years ago and we are trying to adjust to that and in order to ensure quality and broad participation in the future, this Council must continue approving increases in compensation. That is our view today. That we think that these are appropriate increases. We think these are in line with the market. We think these are in line with general city budgets in general. We did look at compensation at director level positions and stuff like that in the city and certainly even doing the increases that we are talking about what the Mayor, the Mayor is not the highest paid person in government. So, these are appropriate raises that we feel should be approved and even the proposed increases, second bullet here, only result in appropriate corrections based on market rates and expected value. This whole concept of we are -- we are -- we want to see the same excellence that you guys have already provided. We would not be offering these things if we didn't see the

level of activity that we have come to expect. Increased compensation still trails our brother to the east, but I think it's totally in line with neighboring communities. We are not Boise. So, there is -- you know, there has never been an expectation that these numbers match what's happening in Boise. I left this line in here. The only way to eat an elephant is one bite at a time. Again, you know, if we don't do this -- and this was our failure two years ago. Like had we made a Mayor recommendation two years ago we wouldn't see this growing disparity that we see two years later. So, we really do need to -- I think it's just good policy to start putting these things in place where we try to catch some of these things up, so that we can get in line and, then, we don't have these big, big adjustments. We really felt as a committee that these were adjustments that would get us right in line with where the rest of the market's at and what we are expecting of you and that we wouldn't anticipate seeing kind of these larger -- I know these numbers, seven and a half percent, 12 and a half percent, these look massive. We don't feel that these would be the kind of numbers we would be talking about two years from now, but if we fail to do this today, then, those numbers just get bigger and the decision and the -- and the -- and the decision to do the right thing two years from now gets even tougher for you guys. So, trust your compensation committee. We love doing this for you guys. So, with that if you guys have any questions I think that's it. Yeah. So, I'm happy to answer them.

Simison: Thank you, Josh. Council, questions?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: A couple of questions. One is something that I struggle with every time we have these dialogues.

Evarts: Yes.

Borton: I agree with you that the compensation committee plays a pivotal role, even though I disagree at times, and one of the things that I struggled with -- and I wonder if it came up in your conversations -- is the pure community service part of what we do. You know, as an elected, unlike any other employee, I think that's got to be a big part of why we do it and that's the reward that we get.

Evarts: Yeah.

Borton: And it's not to be compensated.

Evarts: Yeah.

Borton: Did that factor into any of the --

Evarts: Huge.

Borton: -- discussions to know that we have to get less --

Evarts: Yeah. It's almost -- it's almost like you were rare in the room. There were so many discussions. We were doing the math of -- we were trying to estimate, because we didn't -- we didn't call upon -- because I think you guys -- I know HPC -- we report our hours that we are giving every month on HPC. I don't know if you guys report the same thing. But we were doing some napkin math of what we thought were the number of hours. Now, obviously, we don't know how many hours you are spending on telephone calls and doing research and reading and interviewing people and having coffee with people, but we were doing our napkin math and even with these increases we were talking about compensation that was like minimum wage compensation. It was like this is -- this is just -- it -- we already believe you guys are public servants. Like this was really less about trying to figure out what the right compensation is, because we think Joe Borton is worth X number of dollars, it was -- we were much more looking at -- as we look at the marketplace in general how are we making sure that we are attracting the best talent to run and serve, because there is a compensation component. You know, we all sat around the room and we have business people that are in that room and we were talking about like would -- would the compensation level ever be at a level that's so low that you feel like it's like -- it's a negative. Like -- like it's too low. And we don't think we are there, but we felt like having a little bit more would be -- would be appropriate and be in line with what's happening there. But, yes, it was a large part of our conversation.

Borton: Mr. Mayor, one other question on what you brought up, Josh. I think the concept of expected value is a really interesting one. I know it's not necessarily new, but the fact that you highlight that --

Evarts: Yeah.

Borton: -- and -- and every time when we talk to folks who -- who may want to serve, that conversation comes up; right? What's expected. And I like the idea -- and maybe you have got the list, but we talked to folks about, well, here is what it takes. It's from the meetings, to the prep, to the working as liaisons, talking to the community members and -- the list is long. Does the committee look at an objective measurable list of, boy, here is what we understand the 74 things a mayor does or the 44 things council members do that -- that in exchange for this compensation, whoever is sitting in these chairs, you are -- you are tasked with accomplishing these tasks on behalf of the city.

Evarts: Yeah. Actually, one of the -- one of the conversations that came out -- and, Bill, I will reach out to you on this -- as we talked about actually at a statute level -- like the requirement for a mayor or city council person, like per statute, is like -- it's very -- the threshold is very -- it's like show up, do you have a pulse, you know, it's -- it's not very much and we didn't formally go out there -- I mean this really is a testament to the work that you guys are doing, because all of us had little anecdotes of things that you guys do outside of your normal meetings that we pointed to. So, we didn't -- I think it would be a great exercise our next time around to actually go through and say, look, this is a rubric for, you know, the expectations -- that expected value. I actually added that this weekend.

So, I was driving back from California and I'm like what -- what am I trying to say here. So, that was my comment, not the committee's comment, but it's like what -- what are we trying to drive to here and I think it is that expectation, because, you are right, I have talked to people that are looking at public service -- even on our commission and people always ask, well, what's expected of me. Well, let's talk about that. Let's measure it and let's give you that, because that's the people I want. Like when I hire people in the private sector I have got expectations for them, you know. I expect you to show up 15 minutes early to work, because that's on time. I -- you know, I expect you to give me an honest day's effort. Like these are the things that I lay out for employees. I don't think it's any problem at all to lay the same expectation at your guys's feet.

Borton: Thank you.

Evarts: You're welcome.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Josh, thank you very much for your presentation. As a current Council and former volunteer for the City of Meridian, our volunteers spend significant hours as well alongside of us and we really -- I really appreciate the time that the committee has spent to make these considerations and I know they are very difficult and knowing all of my fellow Council Members I can't imagine that community service wasn't the first thing they had in mind. But I have to say thank you, because I know when -- I spent about a year deciding if I was going to run -- run for this seat and a big part of that decision was what I would forego as a business owner and the time that I would invest and there -- the -- the compensation is not equivalent to what I give up to do it, but that's not -- that's not really in my mindset. But it is a bonus, I guess, that that is -- is there as part of what we do. So, I would run even if there weren't any increases. But I really appreciate it, because I think this might be the first Council in recent past where all of us are full-time -- full-time businesses or work outside of what we do here on Council and that's pretty significant and I think that does speak to, you know, showing that there are -- that many different types of individuals can run for this office. So, I think at some point it was -- it was at the point where, you know, you kind of need to be retired or have -- really have this other source of income, because it just wasn't a position you could consider otherwise. So, I just want to say thank you for taking all of those things in consideration and I know -- I know for me I would have run anyway, but it is -- it is nice to have that consideration be made.

Evarts: You're welcome.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks, Josh. One question I had specific to the Mayor's position -- it sounded like we have some compression where there could be directors that are too close to the Mayor or there are other employees than the Mayor is closely compensated to them. There is something that strikes me about that as being kind of wrong. I don't know if HR is available to lend light on that. But is there a compression between kind of the next leadership level and that leadership position for the city? If someone could kind of give us a --

Evarts: Yeah. Let me -- I will cover that and, then, Crystal, if I have lied you can correct me. We actually talked about that. So, we went through the director positions. Most of those positions are actually professional positions, so they are coming with a certain amount of degrees and education and training, as well as longevity. So, we have people -- like, Bill, how long have you been here? A thousand years?

Nary: Seventeen.

Evarts: Seventeen. So -- so, there is people that have been here a long, long time and so in that process there is -- there is -- there is just, you know, merit and normal raises that go into that. We were very very adamant that we didn't want to compare those numbers. Like we really do believe that there is a public service component and there is also a lot of intangibles specifically with a Mayor's office that we think is a value add that is a part of his compensation that -- that we felt, while it was out of line from a pure dollar standpoint, we felt that with these adjustments it wasn't out of line as we looked at -- at other positions and it -- actually, we didn't feel it was appropriate to maybe compare some of those -- some of those other director level positions. And, then, you have some other dynamics at play that -- that went into our whole thought process. Like we argued -- I mean there were real legitimate -- like there should be more and, then, there were people that were like, no, this is -- this is appropriate. So, we -- we struggled with this. Like this wasn't just us getting together for 15 minutes and going, hey, let's just give people a raise, we like these people. It was -- it was a lot of -- and it wasn't -- actually, we took the people out of it. We were always talking in terms of activities and things that we saw. Again, it's that whole expected value. Like -- like forget if any of you were in these seats, what would I want from council seat number three, like -- and let's work towards that and make sure that we are compensating that appropriately. Or the mayor.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. Thanks for the insight and I think it's not specific to the people, it's specific to the seat and what's expected of the seat and I tend to agree with you, there is a community service component, but I guess I -- I would share a view that, you know, I expect a certain caliber leader to be the mayor of the city as well and I would hate for there to be so much compression between those levels that it just doesn't make sense anymore from a common sense perspective. So, I think that commentary helps me understand how you guys approach that. I guess a little bit of feedback. You know, I -- I

-- I go back and forth. It's awkward. You know, I -- I do think people should do this for a love of serving the community, but I do appreciate Council Member Perreault's point that part of this is also opening this up to a bigger group of people and making it possible to have some representation from a pretty broad group of high achievers in the community that want to do his job. So, it's hard to strike that balance and I guess we have to think of people that are in the seats in the future, as well as the ones that are in currently. I don't think that's as relevant, but, really, it's -- you know, how do we cast a wide net going forward. Thank you.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I just want to ask Josh -- I don't think it probably came up, but in looking to the future the next two years, it's likely we will be running in districts at that time, which shrinks our geography a bit, but I think the demands will still be there. But was there any -- any chance you guys discussed that and the compensation in -- in light of running in districts, as opposed to being -- representing people citywide?

Evarts: No. It came up. The only adamant decision that came up that unless Idaho Avenue specifically becomes a district there is zero chance that I'm running for any public office ever, so -- but if that ends up that Idaho Avenue by itself becomes a district, yes, I will be running. No. We -- we brought it up. We felt that there was -- you know, that's going to reveal itself. It really didn't have much to do with what we thought the next kind of two years looked like and we felt like that was probably another important reason that we just stay as a committee and work every two years, because things are going to change and shift and I think we -- we are going to be people of integrity on this committee, even though a couple names changed it felt very similar, even Clint, you know, being on there forever, I felt like the -- the tenor of the -- of the -- of the group was identical and I think that even if we saw a case that we needed to make adjustments that were sideways or down two years from now, I think I would approach it with the same amount of integrity that I am today.

Bernt: Mr. Mayor?

Simison: Councilman Bernt. And your audio is low, so get close to your mic.

Bernt: Okay. Can you hear me now? Is that better?

Simison: Chris is going to try to adjust it up a little bit. Go ahead, give us another shout.

Bernt: Hello. Hello. Testing one two.

Simison: Yeah. Just talk loud.

Bernt: Okay. So, you know, Josh, thank -- thank you so much for your presentation and

your approach. I -- if there is one thing that the City of Meridian does right it's our citizen committees. I was lucky enough to be in a lot of those committees back in the day when former Meridian Mayor Tammy de Weerd appointed me to -- I have been on this committee a couple of times and the dialogue that goes in these -- in these meetings is very complex and it's long. There is never agreement until the very end and -- but that's a good thing, because people care and that's the most important thing. At the end of the day I -- I agree with everything that my Council friends have mentioned. There is nothing that I disagree with. The one thing that I spoke about a year or two ago when we had this conversation was -- I just don't believe that a specific type of person can only run for office and sit in these seats and make these types of decisions. I believe there are a lot of people out there with a lot of talents and a lot of foresight, with a lot of experience, and they should have just as much opportunity to be on City Council than -- than someone that's retired, someone that's self employed, someone who has probably more time and so with that said I -- you know, I think that the numbers that were presented are fair. I think they are reasonable. I don't think they are out of line. It is an awkward conversation, but it's reality and I don't have any problem talking about it. A lot of the decisions that we make today affect Council -- future councils and what that looks like as well. There was a number that was stated that, you know, in the past 20 years only five -- four or five increases have been given to Council and the Mayor and, you know, it puts -- it puts future councils, you know, behind the eight ball and so I'm okay with it. I appreciate you, Josh, and I appreciate your committee and -- and the time spent debating this. I appreciate you.

Evarts: You are welcome.

Simison: Council, additional questions, comments?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Just a process question. We have under ordinances two ordinances that provide for waiver of the second and third reading rules and I think we want to have a public hearing and not just rush these through, allow, you know, citizens the opportunity to comment, but I also want to make sure we meet the deadlines for when that has to be done by. So, I don't know if it's --

Simison: I would turn it over to Mr. Nary for comment.

Hoaglund: Mr. Nary. Yeah.

Nary: Mr. Mayor, Members of the Council, Council Member Hoaglund, that's a great question. So, the intent of putting it on tonight was really for your review, not as a reading itself, because I had been told that there was a desire to have at least the ability for the public to comment, but we would have to put it on next week for action, because unless you want to have a special meeting on August 3rd, because it has to be approved prior

to August -- I think it's 15th. And so we won't make it if we wait another week, because of how our publishing cycle goes. So, we won't make it beyond that. So, we would have to do it either next week with a waiver of the reading rules or you would have to have a special meeting to do anything. So, the one that's on there, the only thing I would -- I would suggest, if the Council is supportive of the committee's recommendation -- and this is my error, so I neglected to delete the section on the automatic increase that we put in two years ago, so the -- I have a revised one to send to the clerk for next week, if that's the direction of the Council, with the same dollar figures that are proposed, but with deletion of that section where there is an automatic increase in the market adjustment to the general employee wages, to remove that provision. But we could put it on next week to have it eligible for a public input, public hearing, and, then, you have the ability to approve it next week if you wish.

Simison: Did that answer your question?

Hoaglund: Mr. Mayor. Thank you, Mr. Nary. Yeah. And I think that would be good if we put that up there for -- for public comment next week and I'm good with deletion of that market adjustment as well for both those.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I agree. And I see head nods going on the deletion of the market adjustment, the recommendation is certainly sound from the work that has been done. I guess the last comment maybe -- this comes up in the public hearing, but I'm really intrigued by this expected value and having some objective measurement. I like -- and this is my personal opinion. I like lagging other communities in this one regard. I like being low and last perhaps in comp. The challenge though, boy, it should come with some delineation of that expected value; right? So, if we are paid in the middle range or less, that doesn't correlate with expectations that are less. So, to have that done -- not necessarily as part of this, but, boy, if the committee is working -- your input, Josh, we have a cup of coffee and --

Evarts: Yeah.

Borton: -- I think that's going to benefit everybody who serves and anybody who looks to serve be able to articulate here is what the community expects from you. I think that's a great ask. I'm glad that became part of your analysis.

Evarts: Yeah.

Simison: Yes, Josh.

Evarts; Councilman Borton, I would offer that you guys make a request of the compensation committee to meet one last time when this is done. I think it would be really

valuable if any of you guys wanted to come in once this is over and be a part of that, because I think it's a really valuable conversation. We just don't actually know all the little things. I know a little bit, because I talk to a handful of you on a regular basis, but we don't even know, but capturing that -- I think that's an area where we can lead as a municipality that this is the expectation and -- and we don't mind, you know, what -- yeah, I get that we are trailing, you know, the people to the east that start with a B, but -- but where we are leading is we have created this expected value proposition for -- for our city leadership and I think that helps inform people that want to run for these offices in the future. So, maybe make that request and I'm sure you would find some of us that would be willing to come in and spend an afternoon.

Simison: Okay. We will be vacating Items 19 and 20 off this evening's agenda when we get to that and bring this back with a public hearing next week with those changes.

Johnson: Mr. Mayor, Mr. Nary, do you -- do we still want a first reading and public hearing on the 2nd or do you just make them.

Nary: So, Mr. Mayor, Members of the Council, Mr. Clerk, so since I have to change them anyway, we will just do a first reading of the waiver for next week.

Evarts: Thank you.

13. Fire Department: Fiscal Year 2021 Budget Amendment in the Amount of \$40,817.00 for One Additional FTE Firefighter

Simison: Thank you, Josh. Okay. Moving on. Item 13 is the Fire Department fiscal year 2021 budget amendment in the amount of 40,817 dollars and turn this over to Chief Blume.

Blume: Good evening, Mr. Mayor and Council Members. Yeah. The Meridian Fire Department looked at our overtime expense, looked at some of the cause and effects of how we can improve and decrease our extremely large overtime budget and what we noticed is that we have individuals who are on extended leave in the rank of captain and in the future battalion chief, with a -- with known retirements coming up and so one of the ways we were able to -- or would like to reduce our overtime expenditure and have a fully staffed roster and stop calling back overtime at a time and a half rate, is to bring on a full time probationary firefighter. We already have a list -- a hiring list that's in place, so there is no additional cost or process for that and bring that person in as a probationary firefighter paramedic for -- to offset the overtime that would be insured every shift with the captains or battalion chiefs that are off and, again, this -- this just offsets that position and fills and staffs our roster.

Simison: Council, questions?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just a comment. Chief Blume, I think we all really appreciate you being proactive on this and finding a way to save the city money, particularly the overtime has been something that's very challenging and part of the nature of the job, but anytime you find an opportunity like this I just really appreciate it. I think we all do on behalf of the taxpayer. So, unless there are questions I'm happy to make a motion. Mr. Mayor?

Simison: Council Woman Strader.

Strader: I move that we approved the Fire Department fiscal year 2021 budget amendment in the amount of 40,817 dollars for one additional FTE firefighter.

Perreault: Mr. Mayor, second that motion.

Simison: I have a motion and a second to approve the budget amendment. Is there any discussion on the motion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, absent; Bernt, yea; Perreault, yea; Hoaglund, yea; Strader, yea.

Simison: All ayes. Motion carries. The item is agreed to. Thanks, chief, for bringing this forward as a solution to a known issue.

Blume: Thank you, Council and Mr. Mayor.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

- 14. Finance Department: Approval of Fiscal Year 2021 Amended Revenues and Expenditures in the Amount of \$133,440,148.00**
- 15. Finance Department: Tentative Approval of Fiscal Year 2022 Proposed Revenues and Expenditures in the Amount of \$191,686,966.00**
- 16. Finance Department: Approval to Reserve All Foregone Revenue Associated to the Fiscal Year 2022 Budget in the Amount of \$454,885.00 in Order to Utilize that Amount in Subsequent Years**

Simison: Okay. So, we will move on to Items 14, 15 and 16. Have that conversation all at once and is there any conversation or just turn this over to Mr. Hoaglund?

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I failed to have a conversation with Council -- Councilman Hoaglund this afternoon

when I asked him to lead motions and such, but just to -- just to be clear what these motions are about, all we are doing is setting a number that can be presented, you know, to the public when we have our -- a public hearing. We are not approving anything. We are not debating what's inside. There are not -- these are just numbers that will be debated at a -- at a future time. So, I'm sure that folks -- you already know that, but for those who are watching that may not, I just wanted to be clear. Thank you.

Simison: Thank you, Councilman Bernt. Councilman Hoaglund.

Hoaglund: Yes, Mr. Mayor, as Councilman Bernt noted, that these are for publication and these are what will be discussed and so these are the amounts that we are moving forward asking the public to look at and -- and comment on. So, for item 14, the action needed for publication is Council to approve the amended revenues and expenditures for fiscal year 2021 in the amount of 133,440,148 dollars.

Simison: Mr. Nary, do we need to take these one at a time or can we do them all at once? Do we need to take these one at a time or can we do these all at once?

Nary: I apologize, Mr. Mayor. We can do them all at once.

Hoaglund: And, then, Mr. Mayor, I will continue. So, Item 15 is Council to tentatively approved the proposed revenues and expenditures for fiscal year 2022 in the amount of 191,698,966 dollars. And, then, for Item 15, Council elects to reserve all foregone revenue associated to the fiscal year 2022 budget in order to utilize that amount in subsequent years. That amount is 454,885 dollars.

Johnson: Mr. Mayor, before we move on. Mr. Hoaglund, can you reread the number for Item 15? I didn't follow.

Hoaglund: Yeah. Item 15 to tentatively approve the proposed revenues and expenditures for fiscal year 2022 in the amount of 191,698,966 dollars.

Johnson: Mr. Mayor, I have a different number. That's why I was --

Simison: Yeah. We --

Johnson: -- 191,686 -- 191,686,966?

Simison: That's what's on the agenda.

Hoaglund: And mine shows 698, as opposed to 696.

Simison: Do we need to go with what's published on the agenda?

Nary: Mr. Mayor, Members of the Council, no, because, again your motion can cover that, even though that was -- was published, because it is published in the memo that's

attached to the agenda is 698. So, you can -- you can certainly change it. But, again, it's the high water number. Though you can change that if that's the correct -- as long as that's the correct number.

Purser: Yes. Council and Mayor. I apologize for the confusion. So, the number. 191,698,966 dollars is the number.

Simison: That's what was read. Just different than what's on the agenda. So, Council, you have that as a motion. Do I have a second?

Perreault: Mr. Mayor, second the motion.

Simison: Okay. I have a motion and a second to set the numbers for the FY-21, '22 and foregone revenue for FY-22. Is there any discussion on the motion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, absent; Bernt, yea; Perreault, yea; Hoaglund, yea; Strader, yea.

Simison: All ayes. Motion carries and the items are agreed to. Thank you.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

17. Fire Department and Police Department: Construction and Design Discussion for Fire and Police Stations

Simison: Next up is Item 17, Fire Department and Police Departments construction design discussion for fire and police stations. I will turn this over to Chief Blume.

Blume: Good evening again, Mr. Mayor and City Council. Following our last budget hearing that we had there was a number of questions that were raised by the Council regarding the ability to deliver on time, on budget, and this evening was able to bring in the executive vice-president from ESI Joe Jackson, as well as the director of estimating for the commercial division of ESI Jon Martz and I would like them to come up and give a presentation to the Council -- a brief presentation and, then, be available for questions regarding ESI's capacity to complete one, two, or four projects.

Jackson: Good evening, Mayor, Council Members. Thanks for having us today. As a company we have been working on a document that we -- the purpose is to share with some of our customers and partners on what the market escalation looks like in construction. This is a draft of that document. When asked to come here and discuss escalation, we thought this would be a good place to run through it a little bit. There is probably more information in here than you need. Some of it obvious. So, I will go through it rather quickly. Obviously, the market is undergoing some escalation and price increases.

Johnson: Use the arrows on the keyboard, instead of the mouse.

Martz: Oh, got you. There we go. Thank you.

Jackson: So, what we consider the -- the market price increases, the result are a result of generally a perfect storm. When you consider a global pandemic once in a lifetime, Federal Administration change -- policy change. The pipeline shutdown. The Suez Canal. The ice storms in Texas. All those things really culminating in a three to four month period. It's really hard to imagine more disruptions than that in our supply chain. This has affected really materials across the board. You know, nationally as an average, materials have gone up 26.3 percent since April of 2020. Obviously, that's an average. Some things have gone up less. Obviously, things like lumber have gone up quite a bit further. This is a -- you know, when COVID happened last year there was an immediate slowdown in construction and everybody pausing and waiting and deciding let's see what the world looks like before moving forward. So, what that created is some -- some pent up demand, some lack of production during that time frame and all of a sudden when the world recovers and comes back to some sort of normal, there is -- there is a lot of demand and not a lot of supply. You know, what -- what COVID saw was a lot of factories across the country down or down to ten percent, 20 percent of manufacturing. Well, where we are at right now as far as construction is a hundred percent -- 120 percent of what it would have been a year ago and material is not catching up. So, obviously, shortages are causing major delays. You know, the local impact. You know, if you -- if you see what's happening out there with home prices, you see what's happening with rental costs -- if anybody saw the Today Show it was, basically, an advertisement for everybody across the country to move to Idaho. So, it's -- you know, there is a lot of stuff going on there and everybody's trying to do something at once. Everybody's trying to keep up with the demand for rental product and home product and there is -- you know, the labor is not keeping up and, then, there is -- there is pressure on wages, obviously. You know, it costs more to rent an apartment, it costs more to buy a home. So, all those costs are going up. You can see a 31 percent increase in residential construction costs in May '21. So, it's really affecting everything. I mean it's -- it's lumber. It's anything that is affected by fuel, which is PVC, roofing materials, structural steel, steel decking, flat plate -- you know, gypsum drywall. You know, it seems like every -- every week we are getting communication that another product is going up. And, then, the labor impact continues to plague us locally. Items like extended unemployment benefits, you know, have affected our -- our labor pool as well. Let's go to the next one. So, lumber is probably the hot topic, you know, because a lot of construction that we see here is either apartment construction or home construction. So, lumber is -- was up 400 percent. That's peak in May from where it was a year before. This is a pretty good little picture here. If you look at the -- on the one side here, 50,000 dollars worth of lumbar in May or '21 buys you two and half single family homes and a year before it would buy you ten. That's a pretty staggering example of what -- what's happening with lumber. So, a lot of what's coming around now is -- the dimensional lumber is coming down, which is -- which is helpful, but things like -- like OSB, plywood, that it uses the resin products are -- are still -- are still struggling to come back. Steel. You know, a lot of the factory issues are affecting steel and there is also a pretty significant drop from Amazon nationwide. Amazon bought

350,000 tons of joists and decking across the country, which has affected that pricing and lead times. Right now for joists and deck, the lead time is like nine months where it used to be two. Concrete is another one that is starting to have an effect. There is contractors going on rations. It hasn't been too bad yet. We are thinking that it's going to get a little bit worse, but probably not going to be a major impact like steel and lumber has been. So, there is not a magic -- obviously, not a magic silver bullet for this. We believe by first quarter of next year a lot of these materials will stabilize and production will have the chance to catch up with demand. You know, for us right now we are trying to be -- trying to allow for flexible timing on bid packages. Material flexibility and choices in what we are using. And, honestly, in some contracts we are going with allowances. If we are signing up for an apartment project today and the number is five million dollars and a year ago it would have been two million dollars, we are creating an allowance and we are buying it nine months later. There just has to be ways to get creative to -- for the customer to allow the project to move forward, so -- oh, yeah. Another -- another picture of, you know, what a hundred dollars worth of lumber was -- looked like in 2018 and what it looks like in 2021. So, I know that was brief and fast, but -- and most of that is probably fairly well known by everybody, but just wanted to give you a general idea. You know, we have been working on your fire station projects for some time and have been estimating what the cost of construction will be. We have always generally understood what we think the performance period is going to be and have tried to adjust our pricing to be accurate in that time frame and we have provided a recent update as -- three weeks ago I believe and we believe that reflects where pricing is now, which we think is at the peak of the market and we are starting to see some things come down. So, we think it's reflected accurately. But we would stand for any questions you have on the overall program.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: You said that you believe by the first quarter of next year that market prices will start to stabilize. Can you give us some more details on why specifically you think that -- that that time frame is what -- where we will see -- see some of it start to shakeout and is there a specific material that you think will continue to challenge us or are we talking -- right now it's -- it's literally everything. HVAC systems. Rubber. Microchips. Thermostats. Everything. So, are just a portion of those going to stabilize? Commercial is, obviously, very different from residential and the products that you are using, masonry, steel versus lumber and drywall. Can you talk to us a little bit about how that -- well, are you saying that for what you are doing for the City of Meridian you think that it's going to stabilize for the first quarter or are you saying that industrywide you think that's going to stabilize for the first quarter?

Jackson: Yeah. Good question, Mayor, Council Members. I, obviously, don't have a -- a crystal ball, but, you know, in talking to the industry experts that I -- that I speak with and we are reading what I have read and seeing some of the trends that are starting to change, you know, have an opinion of what I think is going to happen. Lumber is already showing it. Lumber has come down quite a bit. What the -- what the random lengths are

trading at have come down by 50 percent. Now, pricing hasn't caught up with that. It has to stay at that level for a little while for the pricing to actually catch up for it to be trusted, but the trend is that it's going down. Steel is one that we believe is going to recover as well. Steel is one that's a little bit tricky, because it deals with some international material trading and where the scrap iron is being sold to and things like that, but the experts that we speak with think that it's going to settle down some. I do think that it's not coming down all the way to where it was a year and a half ago. I think there is an inflationary piece here that's going to stick with it, but I don't think it's going to be where it is now. You know, some of the fuel based products, you know, part of that spike was the pipeline shutdown. Whether that's a real effect or an implied effect, we think it's going to be short term. Again, it's not going to come back down to where it was, but we think that it's going to -- the pressure is going to release in early next year.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you, Joe and Jon. Appreciate the presentation. Maybe it would be helpful for Council if you could kind of go through -- so, if you are acting as our GC under a GMP, could you talk about how that arrangement will protect the City of Meridian from cost overruns and ensure that this project is delivered on time?

Jackson: Yeah. Mayor and Council, good question. So, when we -- when the design is complete we bid the project out to trade partners, subcontractors, the concrete trades, the electricians, the plumbers, the masons and we get our bids in, we compile the bids, we review with -- with you our customer and with the low bids and, then, we enter into a guaranteed maximum price, so -- and we effectively have lump sum bids in all of those trades within that guaranteed maximum price and, you know of a force majeure events there is really no ability for those -- for that price to change and so that is a guaranteed maximum price and the way those contracts work is it's just like a lump sum contract, except for if there are savings, the savings go back to the owner.

Martz: I will just add to that. So, prior to even putting the bid packages together for the city and the community to bid on, we are working with our design partners and the City of Meridian representation to identify those key materials, like wood versus steel trusses; right? We have made a conscious decision, based on the lead time that's required for steel trusses, that nine month lead time, that that's probably not a good idea. Even though wood is inflated, it's going to be better for the project to go with something we can get earlier rather than waiting and delaying the project and potentially delaying further escalation or impacts to the project. So, that's one key example of materials and how we are helping in the preconstruction side.

Strader: Mr. Mayor, quick follow up.

Simison: Council Woman Strader.

Strader: And what percentage of the hard costs do you think you will have bought out at different times? In other words, how are you -- in terms of how you run your business, how do you sort of control for that risk and if you have significant cost overruns if you could just explicitly explain how that would be handled under the contract.

Jackson: So, for the way this contract is structured, we would have to bid it all out at one time and so those low bidders are identified at that time and, then, we enter into a GMP with the City of Meridian and, then, we immediately sign up subcontractors after that. So, it may be a 30 day time frame after we sign a contract.

Strader: Thank you.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Do you have, as of today, your current construction cost estimate for Station 7, for example?

Martz: As of today's pricing we have not updated the budget for today, but looking at the pricing we have provided, in conjunction with the contingencies that we have discussed with our Meridian representation, as well as contingencies, we carry it to day, there really hasn't been anything shockingly different from what we have provided in our last budget update, which was three weeks ago.

Jackson: Yeah.

Borton: And I don't --

Simison: Councilman Borton.

Borton: Yeah. Mr. Mayor. I don't have them with me. Do you recall what they were, the last ones you did, as of three weeks ago?

Martz: I do not off the top my head. I apologize.

Borton: They might have it behind you. I was just curious. I was going to ask you the same question about the police precinct. But is it the same, three weeks ago was the last update?

Martz: Yeah. The benefit with both of these facilities is that they are very similar in structure and interior finish design. The one difference is -- between the two is that one, obviously, is higher operational. So, for the police precincts you get a lot more office space, printer area, you know, operations associated with that. Whereas, the fire station is a mix between operation and living type of facility. But for the most part, you know, the walls, the doors, the roof all those materials are really going to be very similar and it's just

those key finishes, whether we are going to do polished concrete on the floor or carpet, it's a general living space in the kitchen or if it's an office space in the precinct, so -- yeah. So, the way we have formatted the budget in conjunction, you know, coordinating with Stacy and team, is we have broken each project out between each site, between station costs, between fire and police precinct, as well as the associated shared costs due to them both being on the same site, we have a lot of infrastructure costs that are going to be need to be shared between the two stations, whether it's the water tie in, the gas tie in, items like that. Power. The generator cost. Right? Those are all going to be needed for both facilities and so we identified those out for the city to allocate appropriately, depending on, okay, which one is going to go first if that's the case or are they going to go at the same time, you know, how do you guys want to break those costs up. So, that's how we put those together. For the costs, you know, the buildings are the -- are the same price, basically, for -- between the two. So, the first station is 4.7 million dollars and change and the police precinct is 4.6 million dollars and change and approximately between the -- the shared costs, obviously, vary between the two. The shared cost between the two -- I'm trying to -- the northwest site is going to be about 856 -- 856,000 dollars and the south side is about 686,000 dollars. And I mistakenly said they are the same. The site work, obviously, varies, but the two stations and precincts are the same cost, because they are the same building, just copy and paste it over to the different sites.

Strader: Mr. Mayor?

Simison: Just want to make sure he's not going to modify that.

Martz: No. No. I'm good. I'm just -- I'm just -- I haven't seen this. I'm just reading through it really quick here. So, this is an all-in cost, including design and construction cost. So, for the -- for the fire station cost for all four stations from northwest would be approximately 6.5 million dollars. I don't believe this cost includes any of the city costs that are listed here and I would have to double check against the numbers we have provided here. But it's basically just an all-in station cost for all four stations and -- between the northwest and the south side.

Jackson: Northwest fire station at 6.5. South fire station at 6.624, so -- and these numbers do include the overhead soft costs. I'm just checking on the bottom of my sheet here, the budget that we have provided.

Borton: Okay. Mr. Mayor, I guess to close the loop on that question, just understanding what -- the source of the data, if that's like our spreadsheet of our internal budget work or is it your estimating -- updated estimate of the total cost?

Martz: So, this is our updated estimate. We provide a summary sheet that breaks down both ESI's projected construction costs come bid day and, then, we give different breakdowns between design costs, consulting costs,, impact costs. You know, City of Meridian permits and fees, utility extensions, different items like owners FF&E, you know, providing bedding -- you know, bed frames, all that sort of fun stuff that it actually takes to make these places operational and, then, breaking down, you know, weather conditions

and other costs, you know, city salaries, land costs, the risk, et cetera. And, then, at the bottom of the sheet we provide, you know, alternatives -- high level alternatives that we come across on these projects.

Simison: Council Woman Strader.

Strader: Just a clarifying question on that. So, I understand -- and I think I do. So, the shared facility costs remain unchanged regardless of the number of stations built. So, in other words, if -- let's say we built two fire stations and one police station. Then the shared cost for that 856,000 dollars would be -- would probably split 50-50 between two stations, but now that would be incurred for one station, am I understanding that?

Martz: Correct. Yes.

Strader: Okay. And, then, the numbers that you just threw out there, does that include the tenant improvements of whatever the fire chief thinks we need for finishes and --

Martz: Yeah. These are complete build outs in -- to account for both -- both the fire and police and shared costs.

Strader: I have some more if I can.

Simison: Go ahead.

Strader: Thank you, Mr. Mayor. What type of ongoing reporting and monitoring are you going to provide the City of Meridian?

Martz: So, we have reoccurring meetings both with our design partners on the -- on the team, as well as our City of Meridian representation. So, we discuss -- I think about three weeks ago, right before we turned this -- this update in, we discussed structurally kind of hitting back on the roof truss discussion; right? Historically we see steel trusses in these types of facilities, but due to the roof pitch, as well as the -- the market escalation and delays that we have found with steel roof trusses, we came to the conclusion that for the benefit of the projects, both timing and budget wise, that wood would be better and, again, that's just one of the examples that we are having as we go through the process of, okay, here is some design questions that the team might have and rather than waiting for them to complete a full design update per se, the design development package, they are coordinating with us in realtime, asking us questions, hey, what do you -- what are your thoughts on this scope of work and so it's -- it's a -- it's a constant communication between all the team members.

Jackson: For clarity on our process, you know, as we -- as we do go through those estimating phases, we -- we have a lot of historical data for public buildings and fire stations in particular, but at the same time we are still engaging trade partners along the way to get opinions of cost as we move forward. So, our estimate is fueled by direct subcontractor feedback. So, we have spoken with some electricians and -- okay. So, it's

not just our historical data that's going into those numbers.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. Yeah. I would expect that to be the case, that you are pretty close to the trades that are planning to bid on it, but I guess my question was more -- you know, if we move forward, right, and that contract is signed, what are the regular updates that you are providing to the City of Meridian on how construction is taking place, if it's on time -- like what's the frequency of that update.

Martz: So, you know, for each project and each project team it's a little bit different, but I would say at least monthly usually there is an owner, designer, contractor meeting weekly, bi-weekly, and certainly monthly where we provide updates on the schedule and overall cost how things are going, so --

Strader: Thank you.

Simison: And historically I think that those have been provided to the City Council following that as well. Either written or in person. At least that's my understanding.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I got a question for you. Is there a way to add a deductive element to the subcontract if prices drastically drop or they go lower prior to construction?

Jackson: So, that's a -- that's a good question. It's not something that has come up a lot in the past, but it has something -- has been something that's come up a little bit recently. As I mentioned, some -- finding some creative ways to maybe not purchase materials until they are really needed. If it's a material that happens to be in a spike, like lumber was in May, you know, if you go to the bid process and you bid to subcontractors and you accept their price, there is really no way to -- to recoup that, but if you do want to say delay the purchase of some commodity that is -- is high, you can declare an allowance and as long as you do that in the bid process you can declare an allowance, but understanding there is -- there is risk there as well, that if -- if the material goes up it could -- it could go the other direction. Did that answer your question?

Bernt: Mr. Mayor. Yeah. It does. And I know that our purchasing team in Finance, you know, is well equipped and very on top of this, so I just wanted -- I just wanted to make sure that you guys were aware and prepared if something like that were to occur.

Jackson: Absolutely.

Simison: Council, any additional questions?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Is there additional refinement of those numbers that you are being asked to provide to Police, Fire, or Finance prior to mid-August, like in the next couple of weeks, to -- if it hasn't been updated for three weeks, I imagine the next couple of weeks you can provide sharper numbers to -- in treating each four completely independent to try and articulate here is the updated cost for seven, eight Fire and precinct one, two Police?

Martz: Recently we haven't discussed such an exercise, but we are here to help the city as best we can. So, if that's something that you would like to pursue, then, I would be more than happy to get the team going on it.

Borton: Okay. Thanks.

Hoaglund: Well, Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Just -- and I think I need to ask Council Woman Strader for assistance. You know, I understand building and design and -- and bidding and all that, but I might need a crash course on futures markets and short selling and everything else. So, this is quite the world upside down right now.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: No. It's a bad idea.

Simison: Council, any further questions for ESI? Thank you.

Bernt: Mr. Mayor, one last question.

Simison: Councilman Bernt.

Bernt: I just -- I just -- I guess I hope and pray that, you know, these numbers are accurate, you know. I -- one -- one thing that catches me off guard to a certain degree is that Station 6 was 5.7 million. Station 7 was 6.6 million, which is a change at 15 percent. But your slide is saying that the economics of, you know, the construction industry has rose above 20 percent and so -- I just don't want you to come back in a couple months and say just kidding, eight million. Can we do it anyways? You know, I know that you guys are professionals and, you know, you will handle it, you know, the way that you have always

handled it in the past, but that's my fear that these -- these -- these numbers are not -- are not -- are not accurate.

Jackson: Right. Mayor, Council Member, good -- good question. You know, I did go through that material escalation thing pretty fast and I think the 20 plus percent thing that you referenced was -- was a material average and not necessarily all construction costs -- costs across the board, so you have got equipment and labor as well. So, it does balance out to be more like a ten percent increase that we have seen recently, you know, and I will add that a couple of factors that can improve and help -- help hedge against potential increases is really being strategic and bidding projects at the right time, you know, and we tell all of our customers that if you can bid your projects in January and February it's absolutely the best time of the year to do so versus bidding them in June is about -- anywhere from June to August is about as bad as you can get. So, we encourage everybody if you can time your design process and your bid process to be in the first quarter -- as early in the first quarter as possible, it's the best time, you get the best attention from the trade partner market. Everybody is looking to fill up their books for the year, so you are getting a lot of great competition and a good pricing. So, that, along with, you know, if you are able to, combining as much quantity as you can, because the economy of scale is real in this type of market as well, so --

18. Valley Regional Transit Fiscal Year 2022 Funding Request Vacated

ORDINANCES

19. Ordinance No. 21-1936: An Ordinance Amending Title 1, Chapter 6, Section 5 of the Meridian City Code Providing for Mayor's Compensation and Providing for Market Adjustments; and Providing for a Summary; Providing for a Waiver of the Second and Third Reading Rules; and Providing an Effective Date

20. Ordinance No. 21-1937: An Ordinance Amending Title 1, Chapter 7, Section 9 of the Meridian City Code Providing for City Councilmembers Compensation and Providing for Market Adjustments; and Providing for a Summary; Providing for a Waiver of the Second and Third Reading Rules and Providing an Effective Date

Simison: Thank you very much. Appreciate it. And turn to the team. Is there anything else that -- okay. We are -- we are good on that item. So, I don't know, Steven, if they mentioned to you that you might get bumped to another week. I would -- our next meeting is going to be long. I think we need to give Council a break to get prepared for that, so, you know, I would ask that we vacate Item 18 from today's -- today's meeting and we will probably bring that back -- I don't know whether we said next week, if that was the intention. Yeah. But we did have a backup time frame to do the -- to do the next item.

Johnson: We did. I -- Mr. Mayor, I was confirming with Miranda that next week she or Caleb are --

Simison: Yes. So, I would suggest we vacate this item, so we can take a break and get prepared for our longer conversation.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Just a curious question for Mr. Nary. If we are vacating the next three items, can I do that in one motion?

Nary: Yes, sir.

Hoaglund: Okay. Great. Mr. Mayor?

Simison: Councilman Borton.

Hoaglund: I move that we vacate Items 18, 19 and 20 and that they be scheduled for next week.

Borton: Second.

Simison: I have a motion and a second. Is there any discussion? If not --

Perreault: Mr. Mayor?

Simison: Oh, Council Woman Perreault.

Perreault: Do we need to include next week's date in that motion or can we just say next week?

Simison: I think we are covered. Any further discussion? If not, all in favor signify by saying aye. Opposed nay. The ayes have it and the items are agreed to.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Simison: Do I have a motion?

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move that we adjourn our work session.

Borton: Second.

Simison: I have a motion and a second to adjourn the work session. Any discussion? If

not, all in favor signify by saying aye. Opposed nay. The ayes have it. We are adjourned.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

MEETING ADJOURNED AT 5:44 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK