

## **Meridian City Council Work Session**

**June 24, 2025.**

A Meeting of the Meridian City Council was called to order at 4:30 p.m. Tuesday, June 24, 2025, by Mayor Robert Simison.

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

Other Present: Tina Lomeli, Bill Nary, Todd Lavoie, Warren Stewart, Shawn Harper, Steve Taulbee 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 June 24th, 2025, 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.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Move we adopt the agenda as presented.

Strader: Second.

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

MOTION CARRIED: ALL AYES.

### **CONSENT AGENDA [Action Item]**

- 1. Approve Minutes of the June 10, 2025 City Council Work Session**
- 2. Approve Minutes of the June 10, 2025 City Council Regular Meeting**

- 3. Prescott Ridge Subdivision No. 3 Pedestrian Pathway Easement (ESMT-2025-0060)**
- 4. Frontline Water Main Easement Release (ESMT-2025-0061)**
- 5. Prescott Ridge Subdivision No. 3 Emergency Access Pedestrian Pathway Easement (ESMT-2025-0062)**
- 6. Aviation Subdivision Water Main Easement Release (ESMT-2025-0065)**
- 7. Final Order for Addison Circle Subdivision (FP-2025-0004) by Tamee Crawford, Centurion Engineers, Inc., located at 4535 N. Black Cat Rd.**
- 8. Final Order for Apex Phenomenal (FP-2025-0005), by Brighton Corporation, generally located 1/2 mile east of S. Meridian Rd./SH-69 on the north side of E. Lake Hazel Rd.**
- 9. Findings of Fact, Conclusions of Law for Adero Mixed-Use Neighborhood (H-2024-0068) by DevCo, LLC, located near the NWC of N. Ten Mile and McMillan Rd.**
- 10. Approval of New Alcohol License (ALCN-2025-0009) for Level Up Lounge at 830 N. Main St., operating within three hundred (300) feet of a property used for a church or any other place of worship, or any public or private education institution**
- 11. Development Agreement (Foldesi Reserve H-2024-0055) Between City of Meridian and Sherburne Development LLC for Property Located at 3915 N. Ten Mile Rd.**
- 12. Development Agreement (Mondt Meadows Subdivision H-2024-0067) Between City of Meridian and Riverwood Homes Inc. and Mondt Properties LLC for Property Located at 6101 and 6162 S. Tarrega Ln.**
- 13. Development Agreement (Skyranch H-2024-0022) between the City of Meridian and Hubbard1 LLC and C4 Land LLC and Jesse Wakley and Jennifer Wakley and Eagle1 LLC for Property Located Near the Northeast Corner of S. Meridian Rd. and E. Lake Hazel Rd.**
- 14. Idaho Intrastate Water/Wastewater Agency Response Network (IdWARN) Mutual Aid and Assistance Agreement**
- 15. Approval of Purchase Order #25-0401 to Hughes Fire for a 2025 Pierce 100' Ladder Truck for the Not-to-Exceed amount of \$1,870,000.00**

- 16. Intergovernmental and Joint Powers Agreement Between the City of Meridian and Ada County Emergency Medical Services District Concerning Capital Improvements Plan for District System Improvements**
- 17. Intergovernmental and Joint Powers Agreement Between the City of Meridian and Ada County Concerning Capital Improvements Plans for County System Improvements**
- 18. Resolution No. 25-2523: A Resolution of the City Council of the City of Meridian to Amend the Future Land Use Map of the City of Meridian Comprehensive Plan Concerning 10.28 Acres of Land to Allow for Larger Estate Lots, Generally Located at 6101 and 6162 S. Tarrega Lane, in a Portion of the Southeast Quarter of the Southwest Quarter of Section 31, Township 3 North, Range 1 East, Boise Meridian, Ada County, Idaho; and Providing an Effective Date**
- 19. Resolution No. 25-2524: A Resolution Vacating a 3-Foot-Wide Public Utility, Drainage, and Irrigation (PUDI) Easement Located at Lot 31, Block 3 and a Portion of Lot 32, Block 3 of Stapleton Subdivision No. 4, Being More Particularly Described in Exhibit "A"; and Providing an Effective Date**
- 20. Resolution 25-2525: A Resolution Amending the Police Department Records Retention Schedule; Authorizing the Chief of Police and City Clerk to Implement the Schedule; and providing an effective date**
- 21. City of Meridian Financial Report - May 2025**

Simison: Next up is the Consent Agenda.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Move we approve the Consent Agenda. For the Mayor to sign and the Clerk to attest.

Strader: Second.

Simison: 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 were no items moved from the Consent Agenda.

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

### **22. Fiscal Year 2025 Budget Amendment in the amount of \$550,075 for Employee Benefits Plan Trust**

Simison: So, we will move on to Department/Commission Reports. First item up is Item 22, fiscal this year 2025 budget amendment in the amount of 550,075 dollars for employee benefits plan trust and I will turn this over to Trust Member Nary, City Attorney Nary or Bill.

Nary: Thank you, sir. Mr. Mayor, Members of the Council, you have the budget amendment in front of you. This is, as we had mentioned the last couple of presentations, this is just to basically fill the gap of the current deficit that we have been experiencing in our reserve amount that's required for us to maintain for the Department of Insurance. Originally we had proposed the possibility of a budget amendment that includes some anticipated cost. After further discussion decided to simply just fill that gap now as we go through the rest of the fiscal year, as well as the rest of the calendar year through the plan. The numbers tend to fluctuate depending on usage. So, we will -- we always monitor that and if we need to have a conversation later or come back at a different point in the year, either the fiscal year or the calendar year, for an adjustment we will come back and bring that information back to the Council. Council Member Cavener had asked some questions in anticipation of today. We would ask for the approval of the budget amendment. We had some -- had some particular questions that I could help answer and I will just go through them. Who is monitoring the trust balances? The staff, the trust Gallagher or BCI? So, the trust balances are monitored by the trust. So, the trustees and the HR staff monitor that. We do get also reports from Gallagher as to usage monthly. We do get reports from Blue Cross as to how the usage is. So, we have some idea of what usage has occurred. They do give us notices if there was a potential high claim that may come through. Often claims don't start off very high. I mean as you can imagine with any type of medical condition they sometimes tend to start, depending what the condition is they may grow over time. So, something you could look at it and anticipate there may be some increased costs for certain types of conditions, but oftentimes you don't know that upfront, but we do get -- but it is monitored by the trust itself. Who is approving charges against the trust? I wasn't sure, Councilman Cavener, who do you mean who is --

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: If Luke shows up at the doctor's office and they take my insurance. So, then, that goes to Blue Cross --

Nary: Correct.

Cavener: -- and, then, Blue Cross I assume, then, bills against the balance of the trust.

Nary: So -- so, they adjudicate the claim is what the terminology of the industry is. They determine that it's covered -- it's a covered claim and how much of it's covered and depending on the circumstances of the individual, whether it's covered as a claim against the deductible. Have they met their deductible? Have they exceeded their -- have they hit their stop loss of the deductible. Depending where it fits in their individual claim, then -- then they would build back the trust after the deductions are made. So, for all of -- most -- well, at least as far as I know all of the carriers have deductions that are related to services, either for medications or for services that are provided for different covered doctors, you have within the -- within the plan, outside of the plan, so, again, all of that stuff gets adjudicated through the carrier. So, through Blue Cross. Then it gets charged to the trust. So, then, that amount gets charged back to the trust. We get an accounting for all of that, so we know what those numbers are and those charges are, but they don't get -- but they are charged once it occurs; right? So, the individual doesn't experience that. I mean they experience the services and, then, of course, sometimes they get billed later, which is fairly common in a lot of this industry where some get paid for their deductible up front, then, they get billed later for the remaining charges once all that's done. So, does that answer your question?

Cavener: Yeah. Is that -- is that an automatic process or does the trust have to take an action?

Nary: No, the trust does not have to take an action.

Cavener: So, it's an automatic process?

Nary: Yes. And, then, when the process -- when is the deficit discovered? So, what happens is over the accounting period, each quarter, of course, we get accounting. We have -- the trust has an accountant that keeps all of -- that track. But we also have to track for the Department of Insurance. And, then, the folks here from HR are here as well if you have specific questions. So, we, then, determine as we report quarterly to the Department of Insurance we report where our trust stands. So, like, for example, after the first quarter we recognize there was a deficit, because of the higher usage. We reported that deficit. And what normally happens is Department of Insurance, at least historically, they don't normally come back after one quarter of a deficit, because things get adjusted. Some of it takes time, because adjustments don't all happen immediately. So, there are adjustments that come through through the regular process. There are rebates that come through through additional process through the carrier. So, sometimes it takes a while for that adjustment to finalize as to where it is and how much it is. So, oftentimes what we have seen historically with the Department of Insurance is that we will notify that, hey, we have noticed this amount and we are aware of it and we will, then, have a conversation at the trust level on how do we want to address it and usually we will wait one or two quarters to figure out how much is it

really? Is it this number that we determined after one quarter? Is it a different number after the second quarter and after all the adjustments have been made and, then, what else other ways to address it. For example, if I reported to you one of the recent ones that we had some concerns about some of the drugs and there was one drug that was available to change how the payment was being done for it. It took a while. It couldn't actually -- we had to -- we could implement it now, it would go into effect in October, but would help lower some of the cost for that particular drug. We agreed at the trustee level to go ahead and initiate that program. Blue Cross on their own initiated a way to help bring that forward a little faster than October. They could bring it forward in July. That would help lower some costs. We would get some more rebate towards that and help bring some of the costs of that particular drug down. We only had -- if I remember properly I think we only had one or two employees on that particular drug. But every little bit helps. So, it really depends. We look at all the methods. Is there other ways to address it before just simply asking for more funds? Is there a way to adjust the program? Way to adjust any of the way it's being managed? Can we do anything different? And also can we let it ride a little bit, because, again, it depends a lot of medical -- and, again, you have to remember when we are talking about the trust it's not just medical, it's also dental and vision, but a lot of them are very -- can vary -- fluctuate by time of year, season, depending on what they are. So, a lot of folks, for example, for maintenance types of things, people will go early in the year and do a lot of those things when they have their flexible spending accounts are replenished and now they can go take care of maintenance things, because they have those funds available to them. So, they will do that. Other -- and, then, they will let it ride for a while, you know, unless they have kids and things like that that have other issues, but they will let it ride. But also once people have reached their deductible it's very common -- and we know this from the trust side -- that towards the end of the year, if people have reached their deductible, they tend to go get a lot of other things done, because they have met their maximum out of pocket and now they can get some other things done. So, we try to look at those trends to try to figure out is this going to adjust differently down, up, where are we going to land and if we get to a point where we decide from the trust standpoint we want to adjust that, we really don't wait for the Department of Insurance to tell us to do it, we usually look at it and go we are going to anticipate that's probably where we are going to land. So, let's try to be in front of it. Let's try to be more proactive as a trust and let's -- instead of just waiting until the Department of Insurance says you need to fix it or address it, let's just address it. We think it's important, we want stay in front of those things, so that's how we do that, so --

Cavener: Okay.

Nary: -- it's a long answer to your question, but that's kind of how we look at it.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Bill, here is I think the part where some of these questions are coming from. This is where I need help or guidance from the trust. A year ago when we were going into the budget it was communicated to us no increase in health insurance. Now, we understand now that was because you guys spent reserves to not have it -- so, there was an increase, but there wasn't an increase in the request from employees.

Nary: Correct.

Cavener: And, then, you know, to learn, hey, we are going to come with a budget amendment, initially told for 550,000 dollars, which is before us tonight and, then, for me to later, then, get an e-mail for really 1.2 million dollars, it makes it hard to understand kind of where we are in this process and how we as a Council can predict what the expenses and increases are going to be, particularly under such significant budget constraints. So, how can the Council be best kept into the loop of what these changes are and how can -- what one Council Member being told in one meeting be consistent with what's going to be asked for the entirety of the Council.

Nary: Well, I wish I had an easy answer for that. The reason for that difference that you saw was -- when you and I spoke about that we were talking about the deficit. Hundred percent. When we were crafting a budget amendment it was the trust and partly at my urging to say rather than us coming back again at another point in time, that we are going to anticipate there is costs that are going to go against the trust and we are seeing this trend and, in fact, Council Member Whitlock provided me some information that we are not alone in this. This trend of increasing cost of medical is very much not just localized, but nationally. They are seeing it in every place. The state -- for example, there was a recent article in the Statesman talking about the state of Idaho and their cost increase. But, anyway, so what we were trying to do is be proactive and say are we anticipating -- what are our costs going to be over the rest of this fiscal year or calendar year? Should we get in front of that? And, then, in that -- in the narrative of that original budget amendment we tried to capture some of that in that -- in that narrative in there as to where this number came from and that it wasn't just -- we thought it was 550, now it's 1.2 million. Now, the 550 was still the same. The additional potential was trying to get in front of where we see it. If we know we are spending approximately 94,000 dollars a month for cost that we anticipate without any other changes, knowing how much comes in from client -- from the premiums, that we are still going to have this gap, rather than coming back to you -- and since we only have one chance for a budget amendment now, rather than coming back in October and saying, well, we have another deficit or coming back in December, but afterwards it was decided, okay, let's not -- let's not -- let's not speculate. Let's just take what's the known, which is the 550, let's do that and we will come back later and report here is where we are. Here is the trends, here is where it occurred, up, down, wherever it lands and that's where we are.

Cavener: So, Mr. Mayor, one more if I may.

Simison: Councilman Cavener.

Cavener: Bill, I hear you on that and I think that the challenge is that the trust is informed of this, but that information isn't being relayed to the Council until these budget amendments are coming and so I guess that's where I'm looking to you as the chair of the trust to come up with a better plan to keep us informed and whether that is quarterly updates, whether that is monthly financials, whether it is something that you and the trust and our Finance Department thinks is most appropriate, I don't like being surprised with these types of things and I don't -- I don't think there is anything malicious, but it's frustrating to -- essentially, to me it has felt like the story has changed on this depending on the questions that are being asked and -- and I know that's not anyone's intent, that's just how it appears to me and -- and I want to eliminate that and so I guess I'm looking for you as the chair to help give us some insight as to the best way to resolve that concern.

Nary: And, honestly, Mr. Mayor, Members of the Council, Councilman Cavener, whatever you would like. All the trust meetings are open. They are all advertised. All the information is transparent. We certainly can transmit that to the Council monthly, quarterly. We could do a presentation quarterly, biannually, whatever you would prefer.

Cavener: Okay.

Nary: Not a concern at all. I mean we can certainly provide you that information. Understand -- and, again, in the -- in the wealth of information that we get, without context, sometimes it may be a lot of information that really doesn't have a lot of substance for everybody. But, again, we can provide you the information and, then, plan on a quarterly meeting, so you know what's going to come in front of you or where it is trending up or down. That's not a problem. We can do that.

Cavener: I will chat -- Mr. Mayor, I will chat with the Council, Council Vice-President Strader and maybe you and I connect and come up with an action plan around that. Thank you, Bill.

Simison: And, really, whatever you all want. Again, they don't report to me either in the context. So, whatever you want I will want from the trust. I mean it's a weird entity in that context. I can't compel them to do anything anymore than you can compel them to do something, but I think they are more than willing to do whatever we want them to do. So, that's -- that is the clear case of however you want the information they will -- they will provide it. I have no doubt in that.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I really think like a pretty simple quarterly update with just some basic financial information about whether you are running at a surplus or a deficit compared to, you know, your projections and key trends would be great. I think just keeping it simple -- I don't -- I take your point. I don't need to read through detailed like claims information



and stuff like that really wouldn't be appropriate. Like I think we just -- I think we just need more communication is the answer; right? Like I think we are going to get to the right spot. I think just a great like simple quarterly update for everybody that kind of lets us know, okay, are we at a surplus or a deficit and if we see two quarters in a row where we are running at a deficit I think that will be a heads up for all of us, okay, we have got an issue, now it's time to be proactive. Let's start having some discussions and conversations. I just think it's one of those things that it's really hard for us to get our arms around it when it's coming in front of us once a year. So, I think if you come quarterly that could be a great -- great answer and I'm happy to sit down with Council President Cavener and chat further if needed about like what some key metrics are, but I think just like keeping it simple, a quick check in I think -- I think that would be great.

Nary: Yes, that's not a problem.

Strader: Thanks a lot.

Taylor: Mr. Mayor?

Simison: Councilman Taylor.

Taylor: Thanks, Bill. Just a quick question. I want to make sure I'm understanding it. The way the 550,000 for the budget amendment will be -- will be spread across the different departments and functions of the city and everyone will kind of pay sort of their share. I'm looking at your memo here. We got Council, the clerk, Mayor's office, City Hall, each department. Is that -- in there I see a reflective number. Is that how each department will be paying a portion of the budget amendment sort of allocated it? Am I understanding that correctly?

Nary: That -- you would have to ask Finance.

Taylor: Okay.

Nary: It simply comes out of -- out of the fund balance. But I mean it is allocated based on the membership. So, membership are divided up by employees.

Lavoie: Council, again, that is a percentage of how we see the budgeted distribution of funds. So, it's our best estimate on where we believe the expenses will occur based on historical data.

Taylor: Okay.

Lavoie: As Bill stated, the actuals will be the actuals. That's our best guess.

Taylor: Okay.

Simison: And maybe just one thing that to add and I know the question is about how do you predict, how do you get to it. I think that the conversation will -- I think the more conversation there is the better, because ultimately the Council's best place to set expectations is in -- on the front end in terms of here is the amount of money that you are willing to fund the trust, so they can build a plan to that amount. The trust doesn't have a great way to control the back end on when people spend more than is there and that is just reacting to what the plan is that we put in place. So, if -- you know, if there is concerns on the amount that the trust is costing and it -- you know, as a general whole I don't think one year is the best year to look at it, but I think that's -- well, what are the plan design or what's the financial amount that Council is comfortable providing to the trust and they will build the best plan they can with the money that's been provided and, then, we can all just communicate and when we see those trends we -- those expectations can happen. But it's really hard to know when healthcare costs hit and predict and not have an impact from that.

Nary: Thank you.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: After Mr. Nary's presentation, no additional questions, I move that we approve the fiscal year 2025 budget amendment in the amount of 550,075 dollars for the employee benefit plan trust.

Strader: Second.

Simison: Have a motion and a second to approve Item 22. Is there discussion on the motion? If not, Clerk call the roll.

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

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

MOTION CARRIED: ALL AYES.

### **23. Valley Regional Transit Fiscal Year 2026 Program Budget Request**

Simison: Next item up is Item 23, which is Valley Regional Transit fiscal year 2026 program budget request and it looks like it's not going to be Stephen that's going to come up, but invite Elaine up to the podium.

Clegg: Is it this one or that one?

Cavener: Either one.

Simison: Either one.

Clegg: Okay. Yeah. I'm usurping him again. I believe that's okay. Well, Mr. Mayor, Council Members, thank you for having me. I don't know if I'm quite as exciting as the healthcare trust, but hopefully I can keep you all interested. Really excited today to bring you some information about how the last year has gone. You know, we made a big service change last year and when you make those kinds of big changes in transit systems it -- it can be kind of rocky, but, in fact, it's gone pretty well. So, excited about -- about what we have to show you. Oops. What did I do? So, today I'm going to talk about our recent -- recent accomplishments, some of the projects that we are working on, our funding request, which is always important and, then, like to open a discussion that we don't have to answer today, but -- about maybe a process that would allow us to plan a little more longer term, give us maybe all a little more certainty and predictability. So, recent accomplishments, we, as you know, did a big service change in 2024. Services in Meridian changed a bit. What we did was take the Route 45, move it off Fairview and move it onto Pine and, then, take the Route 30 and make it every other with the Route 45. We also instituted a new route that -- two new routes. One from Town Square Mall in Boise that hits The Village and the Route 42, which used to just be a peak hour commute route, is now every hour all day and it runs through the southern part of Meridian on -- on Overland. Those changes have been successful overall. I will talk about some of the bits and pieces and why it looks the way it does. We also in 2024 implemented Beyond Access, which is a consolidated service of senior centers and Harvest Transit and various things. The City of Meridian Senior Center did not join that. It may be a conversation later on, but Harvest Transit did and overall it's been a very successful change. We also held the first annual Community Transit Association of Idaho Transit Day at the Capitol to begin raising the profile, I guess if you will, of transit around the state and begin talking about the economic impact of transit, which is pretty high. So, the Meridian network -- I thought we had a different slide here. Okay. Meridian network is, as I mentioned, relatively simple. We have got the Route 42 on the southern end. We have got the -- both the Route 45 and the 30 through the middle and, then, that new one that comes from the Town Square Mall and hits The Village. Ridership on these is varied and I want to talk you through what the differences are. So, the Route 24 didn't exist before. It now has 16,000 riders. Twenty-five hundred of those originate in Meridian, but you should know that those riders are ones that are, you know contributing to your economy, even if they don't originate here. The Route 30 actually got service cut in about half. That service was added to the Route 45, so the fact that it's down 18.3 percent is -- if you think about the service hours it has now compared to the service hours it had before are actually higher rather than lower, even though it -- that seems counterintuitive. The Route 40 is still a peak hour route. You can see it's also up quite a bit. The Route 42 is up a fair amount, including up in Meridian. Route 45 is up a lot, but the ridership in Meridian is not up as much as we would like to see. In fact, it's down a little bit. We think it's the change from Fairview to Pine and not finding the riders yet on Pine, but losing some on Fairview. So, that's a route that we would like to investigate and see if we can make better. I think the important thing is that overall there is an increase in ridership, even though we are showing a lower ridership on the 30, overall if you look counting -- accounting for those

changes in hours on the 30, we think we are in very good shape and if you look at our forecast -- so, here is the other interesting thing when you make these kinds of changes. Typically you see a reduction in ridership the first year and, in fact, we have seen an increase in ridership overall and we are projecting an even bigger increase next year. So, like we say, overall ridership is up. Transit activity in Meridian is up if you take all of the routes and we would like to explore alternatives for the 30 and 45 and see what we can do to make those better. Beyond access is the service I talked about that consolidated a lot of the senior centers. So, previously we had five different zones and 11 different -- 12 different providers. We had 12 different phone numbers. We were paying administration for 12 different services. It was not a very efficient way to provide this -- these rides and if I'm a senior and I'm in Meridian and I want to go to Boise I can't go to Boise, because my zone doesn't include Boise or if I want to go to Nampa. So, now they are all one zone. The purple area is all one zone. We are moving people in between all of those and, again, with change it's hard at the beginning, but we are beginning -- we are now seeing an increase in ridership and, in fact, to the point where we are almost at capacity. So, we are going to have to talk about -- about capacity at some point on this service, but it's -- from our perspective been a really good success. It's lowered those administrative costs and put those into more -- more rides available. So, it was launched in 2024. Ridership in those first nine months was 8,780. Here is the big thing that is -- should be of interest to Meridian. Because you are in the middle of the region, I think, 41.3 percent of all trips are beyond access are serving Meridian. You guys are getting a big bang for your buck there. Your percent population is only 17.4 percent of the whole region and 25 percent of the county. So, I think for Meridian this -- this has been a great success. Rides to Wellness is another one that you contribute to and, again, ridership on it is up tremendously. We are looking at ways to move some of those rides to cheaper rides and beyond access, for instance, and fixed route are both ways that we could move those people more efficiently. So, we are looking at strategies to co-mingle those services and see if we can be -- use that money more efficiently. But, regardless, the money to date this year has gone very far. Veteran shuttle is not a lot of rides, but for those vets it's a really important ride and, again, that one's up as well. You all do contribute to these specialized services and it's a big part of their success. So, thank you for that. And, yes, we are asking for that contribution again. So, current projects. Beyond Access we would like to expand it not just to Rides to Wellness, but we are looking at co-mingling it with rides to the general public. So, right now there is not any on-demand rides in Meridian for the general public, only for older adults and persons with disabilities. We have been talking to FTA about the efficacy of doing that in terms of how our funding comes in and they believe that they -- we have -- I actually went to a conference and saw some systems that are doing that and it's working quite well. So, we are working right now with our data provider to create a data database that could co-mingle those rides and we would like to work with your staff to make sure as we do that that we figure out a way to do it that -- that can help riders in Meridian who currently don't have access, because of the limited span geographically of the service that you do have, all east-west and no north-south. We also have a ride called VRT lift pass to high ridership stops and it's been -- we have expanded that with the service change. In doing that we saw a tremendous increase in rides in the places we were able to expand it and we would like to talk to you about the

possibility of expanding it into Meridian. So, again, we could reach some of those riders that today don't have access. And, then, we are working on Valley Connect 3.0. Your staff has been participating and we are looking at that plan over the long term of planning to expand service north-south between Meridian and Eagle and potentially in long -- longer longer term between Meridian and Kuna. So, again, just like to make sure to continue to work on those. So, here is a -- the VRT lift pass program. The zone on the right -- what color does it show up for you? Pink zone is where it is today and as I noted we are seeing a big increase in people using that. We would like to explore expanding it across Meridian, so that people in Meridian could have access to either stops at CWI, stops at The Village, stops on Overland that would, then, get them onto the fixed route, so that they could go farther. All of these, you know, as I'm talking about this, it's not that we are going to necessarily ask you for more money, we would like to have a conversation about what it would cost to do these things, what efficiencies we could find, ways to save money and in the end is there something that we could do that would expand access to your riders that would be reasonable for all of us? So, just wanted to talk about the possibilities as we see some real -- some real big ones, frankly, in Meridian. This is the Valley Connect 3.0 network and the draft plan that we have got and you can see if we are able to institute this there would be a tremendous increase in ridership -- in access to rides in the north-south area in Meridian. Right now those don't exist much and we know as we look at the data that there is a lot of demand for it. That network would also provide your riders with good access into Boise. You will see the red line on there is the rail corridor and remind me, Stephen, does the gen map include rides on the rail corridor or not? I don't think it does, does it? It does? Okay. If -- if and when we get -- I should say when, because I'm confident we are going to get it. When we get the rail corridor folks in this part of Meridian are going to have much better access across the region. So, we talked to some of you early and to the Mayor early. We got a request to keep our request at the same amount as we did last year. We are, in fact, just at that. We still are asking for those -- the support for those special services. You saw the impact of those on -- on your population and the fixed route as it's been changed during the change day, we are really confident and excited about the growth in ridership that we are seeing there. So, before I go on to this maybe any questions about -- about where we are and what we are planning?

Taylor: Mr. Mayor?

Simison: Councilman Taylor.

Taylor: Yeah. I just have a little -- a couple of questions on the lift pass. I think that's a great idea and I'm glad to hear it. It seems like it's been working. Do you have some data on like who are the -- the users of the lift pass? Are these -- is there a certain -- I mean it's not those who are like the -- those getting rides to maybe hospitals, but maybe it is. Could -- do you have some data on who are the typical users?

Clegg: And Stephen maybe has more data on that. You know, Stephen -- you are welcome to come up, Stephen. As we look at the riders of lift pass they are typically people who would use fixed route if it were available, but it's not. Many of them today

are using a lift or an Uber that costs 20 or more dollars. We are able to make the lift pass available for two dollars if they only go to that nearest transit stop and it provides them a much cheaper way to -- to get on to transit and complete their ride.

Hunt: Yeah. We don't -- we don't market the lift pass differently than the general -- than to the general public and it doesn't require any kind of eligibility. So, we don't have specific demographics on who uses the lift, but in terms of what they are using it for, how it differs from -- from say a Rides to Wellness type of trip is that it's designed to get people to the closest bus stop. We are seeing people who maybe live a little farther away from transit use it to get to -- to a stop and, then, continue on the ride. So, it could be ideal for something like the stop on -- on Overland at -- at Lowe's where we have a lot of people getting on the 40 or 42 or a Ten Mile or at The Village.

Taylor: Mr. Mayor, quick follow up.

Simison: Councilman Taylor.

Taylor: Then what is -- and maybe you will get into this a little bit later, but expanding that service into Meridian is that because we need to subsidize the -- essentially paying for part of that lift pass?

Clegg: Yeah. Right now we have a actual private foundation grant that we have been using to subsidize that. We are looking for another one. We haven't yet identified one that we have been awarded, but we do -- the way that that pass works is we ask the rider to pay two dollars, we will pay six dollars. If the ride is over eight dollars they pay the difference beyond that and so we know it's a fixed subsidy and so, yes, we -- what we would want to do is identify what we think the ridership would be if we expanded the zone to include Meridian and, then, identify what we think the cost of that would be and either go after another private sector foundation grant or work with you on -- on another funding opportunity.

Hunt: So, the lift driver -- it doesn't look any different if they just pick the person up and now my drop off is here, but the rider actually says, okay, to get this discounted ride I'm going to go to this closest stop.

Taylor: Okay. Thank you.

Clegg: Yeah. They use the lift app just as through the VRT piece of it.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I just had a couple questions before you move on. So, it looked like there were about 74,000 rides. What percentage of those originate in Meridian? I just wanted to go through the numbers again.

Clegg: Let's go back to that. Getting there. Sorry. Again, Stephen can help you with this. So, when we talk about boardings in Meridian only, of those 74,000 in the '24, '25 -- nine months 15,000 of those.

Strader: Uh-huh. Okay. And, then, you know, I hate to put you on the spot like this, but I understand setting up -- Mr. Mayor, if you don't mind?

Simison: Council Woman Strader.

Strader: Setting up a public transit program is challenging. It takes a while. Investments. You have to get adoption. You need frequency. But at what point is it appropriate for us to start looking at just cost per ride? Because if I look at cost per ride in Meridian I'm kind of scratching my head. I have been a supporter of public transit. I think it's important for us to invest in. It's much more efficient. But there are changes in technology coming with automation. Robo taxis. We have a lot of disruption I think just generally coming to our economy through artificial intelligence. How are you guys thinking about those things? And, then, just from a -- just general perspective at what point do we sort of hone in on more of a cost per ride. Like when are we mature enough to start looking at that? Because if I look at cost per ride it's huge and I'm struggling with that, because as you know -- and I appreciate you holding funding requests flat. We are in a really horribly challenging budget perspective on our operating costs. Not on our capital costs, not on our impact fees, things like that are fine, but our operating costs are super tough right now. So, I kind of just want to talk through those things.

Clegg: Sure. So, we are at a place with this transit system where in the places we can provide the kind of frequencies that we know really attract people, our cost per ride is -- is going down tremendously and the performance is going up. In the places where that frequency is not as high, the cost per ride is -- is still pretty high. So, it's a chicken and egg thing. If you -- if you cut service that cost per ride, for whatever is left, is actually going to go up. It's not going to go down. If we can figure out ways to provide more service, then, the cost per ride is going to go down. So, all of those things I talked about on the future of, you know, here is ways that we can get more out of the money we are spending already are designed to do just that. There is also the opportunity -- we have -- we have identified some opportunities with some of the federal funding around the carbon reduction program and some other things that we think hold some real promise in providing us a little bit lower cost per ride subsidy. We also are working hard with some private sector investment in -- that will end up providing earnings to us, which -- and cost reductions and we -- we plan to share all of those with our partners when we get there. But the -- the challenge is that right now it's pretty expensive to run and if we cut it it's going to be more expensive to run and it will be harder to do those things I just talked about it to make it more efficient. So, I will be honest with you, I'm asking partners this year to stick with us, give us a chance to make this work. We think we can. We are trying to lean into those disruptions in technology. That conference I talked about was all about saying how do you take a fixed route system, an on-demand system and a VRT lift system and make them all one so that you get the most out of that

in one system instead of paying for each of them separately and we think that there are efficiencies there and cost savings there. We are looking at cost savings on renewed natural gas that will also bring us some rebates and so lots of other things we are trying really hard to identify. I know the budgets are tough. I've sat on your side of the dais and it is a really really tough time and so I know it's asking a lot to say stick with us through this if you can, because we are really working hard to be on the cusp of making this better and we think we can, but if we -- if we go backwards and forwards and backwards and forwards it can make it a lot harder.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just maybe a couple more. What -- I get what you are saying. What's your time frame of when you think you will reach that destination? Like how -- and maybe it would help -- I'm more financially oriented, so I tend to think about things in financial matrix. If there is different matrix I'm happy to hear. Like what's a great cost per ride that you have now maybe in a more mature part of the system, like in Boise? I would be really curious. Like what's your best cost per ride area? Like what could we get to one day? I would be curious about that. And, then, yeah, just talk about time frame and -- and how long we should expect to sort of stick with this and keep trying, because if -- and, you know, in fairness, the special services really are a little different; right? So, I'm kind of -- if I take like around 880,000 dollars, if I back out the special services, if I just divide that by -- I think riders originating in Meridian I'm getting to a cost per ride in the 30 dollar plus range. That just feels really high to me. So, I just want to like have some context for that and understand if the request is please stick with us, like how -- how long would that be before we -- you know, we will see improvement?

Hunt: A couple quick comments on that. When you are talking about the current boarding, the trips in Meridian were just for the nine months. So, that 15,000 -- you would factor that up to a full year. So, you are talking about 20,000'ish. And, then, within most of those trips are actually going outside of Meridian. So, a lot of those trips on the 40 and the 45 they are getting on in Meridian and they are going either to Boise or to Nampa. So, when you talk about boardings, which is what you are looking at, you are seeing one half of those trips. So, if -- if you talk about the -- which is one of the problems when you are talking about trying to look at just the impact of a single jurisdiction when you have got service that connects multiple jurisdictions. So, let's say you have got 20,000 boardings in Meridian. They go external. You got 20,000 boardings in Boise that are coming to Meridian. So, all of those trips are of use to Meridian residents and so now you are talking about instead of 30 dollars a ride, it's maybe closer to 15 dollars a ride on getting both the trip out of Meridian and the trip back to Meridian; right? And when we talk about boarding -- to your second question when you talk about boardings -- cost per boarding in a more mature market in Boise -- well, actually, system wide our cost per boarding is about 11'ish dollars per boarding and so at 15 we are getting close'ish to -- well, I mean you are still quite a ways from the -- the average and you are pulling that up, but that's -- that's where we are at. So,



something about ten dollars -- ten dollars or less per boarding is a -- is a good number for our region.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I guess I just have one request after this meeting, which is if you all wouldn't mind take -- take your time, but if you could follow up with me on your math on that and so we can get synced up there, because I'm not sure I'm totally tracking with you. I would like to drill down into that a bit more. I just -- I have to have some context for -- in a really tight year with competing priorities what are the matrix and if the request is stick with us I think a little bit more on that how long and kind of what are the milestones that -- that we are trying to see along the way, so I can say, okay, maybe this cost per ride is not what I want, but I can stomach it, because these are the milestones I'm going to be seeing and, then, I can measure and track where we are at on those milestones. So, that's just coming for me. But that would really help me.

Clegg: Yeah. I really appreciate that. And, by the way, I want to point out that there is a mistake in this. That 17.1 should be green, it shouldn't be red. That's -- that's an increase in ridership in Meridian. I don't know how that happened. I just realized it last time we went through. I think maybe I can get at your other question. If there are others I can take those first with this --

Overton: Mr. Mayor?

Simison: I think we had a couple more that were -- I had some that related to this very topic. Councilman Overton.

Overton: So, a little different perspective.

Clegg: Okay.

Overton: When you -- go back to that slide that had the numbers.

Clegg: Sure. Will do. There we go.

Overton: And I'm going to look at this from a totally different perspective. Not money, but vehicle trips through our city, because we are constantly looking for ways that we can reduce vehicle trips through our city and if I understand this correctly, that 15,000 over 12 months would be 20,000 vehicle trips annually -- not happening in our city that are originating in our city. But further than that, if we have 41 percent of all the ridership coming through our city, then, 41 percent of 12 months of your total boardings by route is a much bigger number of people that we are not having driving through our city that are taking Valley Regional Transit and I think it's hard for us sometimes to quantify a dollar amount on what that's worth to reduce that traffic on our roadways.

Clegg: Yeah. Well, you bring up a good point. I -- you know, we often look at transit as a subsidy, because what you pay for with transit is the operating. What you pay for with roadways is the capital and, then, people use that facility that you have just provided for them with their own capital to operate and use it. But that comes with a cost both to the public and, then, on the maintenance of the capital project that you just built and so the other -- the other interesting thing that I have been thinking a lot about -- we often say, well, you know, roadway use is a user fee, because we have gas tax and that's true at the state level or the federal level, but as you know at the local level most of the local roadways come through property tax. They don't come from a user fee. And so, in fact, there is also a really pretty significant subsidy, especially at the local level, on our roadway system. I don't know how you make that comparison. I haven't quite figured that one out yet. If anybody is smart enough to I would love to hear it. But I do think, you know, the point is transit is really the only way -- proven way to reduce congestion. You can build more roads all you want, but, typically, what happens when you build more roads is you get more trips and when you build more transit you also get more trips and that means less trips on the road, so -- thank you.

Overton: So, Mr. Mayor, just a quick follow up. I have done the math.

Simison: Councilman Overton.

Overton: So, if we take the 73,934 boardings by route that's nine months of data, move it to 12 months, and, then, only count 41 percent of that that would be what we consider traveling through our city, that's over 40,000 vehicle trips per day not going through our city in personal vehicles.

Clegg: Yeah.

Simison: Not a day. Not a day. Yeah. Because -- again, I think we all look at numbers and try to understand them, what -- what -- what it means, because I look at it and say boardings in Meridian only, that could be the same one hundred people if -- you know, for the entire year using this facility if they were doing it every single day to and from work today so -- and I know that you probably haven't -- you have some data that tells you how many repeat riders and, you know, versus --

Clegg: Unique riders.

Simison: Yeah. Unique riders and some of that has some definite -- I think important information as well that -- that could be shared. But the -- you know, the boarding -- that's kind of where I was going. Just look at the boardings in Meridian only. Any idea -- any data on those that are unique versus -- are we talking about one hundred people boarding in Meridian for the year or are we talking about 5,000 people boarding in Meridian with three of them doing it --

Clegg: We do have some ways at getting at that, depending on if they use the app to pay or not use the app to pay and I can certainly dig into it. I don't have it --

Simison: I think that would be some good information just to get some idea about how people are using it from that standpoint.

Clegg: It might be a projection based on what numbers we do have, but we could come up with something.

Simison: Okay.

Clegg: And I would be happy to follow up, Council Member Strader, and really dig into those numbers. So, longer term here is what I have been thinking. So, when I was a city council member at the city of Boise I recognized this. Every year, we come, we have that we don't know how much it's going to be. We don't know what it's for. And I helped the city and VRT work out a longer term memorandum of understanding that sort of set a floor and it was a growing floor, because in their case it's based on a percentage. You have an example with your Arts Commission where it's based -- based on a per population basis and it -- what it means is that you can align your current service, maintenance and expansion plans on an agreed upon expectation and it doesn't mean that you are tied to paying us that amount. Obviously, there is the non-appropriation clause in the Idaho constitution. Neither one of us wants to violate that and so the agreement also identifies how to make changes in it, but it does it in a way that provides some public input. Provides us the ability to give you input and you the ability to ask us questions, so that we don't face what we face with some of our other partners, which is in the middle of a budget workshop and we have got to find 200,000 dollars somewhere. Gosh, it looks like we could just pull it from here. That will work and nobody really has any understanding of the impact of that and so by doing this in a longer term agreement we can identify that process which makes it more predictable for all of us, including their public. And, then, it also would outline communications. So, on a regular basis we provide certain communications with the city of Boise based on this and so we could, you know, individualize those for Meridian. What are the things you are interested in hearing from us on a more regular basis? We just heard that every quarter you would like to hear an update from the healthcare trust. Maybe, you know, similar to that. What could we do to help and so it helps those surprises in the middle of the budget season for us -- remember that we are -- we are subject to 15 annual budgets and 15 annual budget processes and so if there is a change in July, there is not much we can do about it, except be surprised and figure out what service we can cut or what corners we can cut. So, it helps with that. It helps you and us both understand what the upcoming capital needs are and expectations. Gives us an opportunity to perhaps smooth them. I will talk about that a little bit in the next slide. Perhaps a strategy to address growth if you use a population basis or percentage, the communication process, and it allows both our staffs to have a little more certainty in the advance planning for the budget, rather than waiting for -- well, what is it you are going to ask for this year? And if you know six months in advance that that's going to be a problem we can start those conversations now, if that makes sense. On the capital side you mentioned that capital isn't as big a problem and sometimes it isn't. So, maybe it makes more sense not to include capital in the agreement, but to include an agreement that you will -- here is the expected capital costs over the next number of years and --

and you understand those and are willing to step up to those or maybe you would rather have it not be lumpy, because capital costs are sometimes you buy a lot of busses. Sometimes you do a facility maintenance -- big -- big project. Sometimes, you know, this or that happens. We have a five year plan, just like most do, and so we know what most of those are coming out and it's not smooth. It's like this. So, we can either smooth that out or not smooth that out if we have an agreement and it -- but I think it allows both of us to plan maybe a little more predictably what that might be. So, that's what I have today. I know it's a tough budget year. To your question about what do you think? How many years would this be? You can see the color of my hair. I have made a commitment to be here for the next five years. Beyond that I don't think I'm going to be here, so my goal is to have all of this done well before I'm done and I am working hard to make sure that we can get some predictability in this process and build the ridership that we know that this region really needs to solve some of the congestion problems we are facing and that I think the people in this region are hungry for as I'm hearing them talk about it. So, hope -- hope that makes sense to you. We are making the request for the same amount this year as we had last year. We do see growing ridership. We promised 20 percent increase in ridership with the service change. You guys are at 17.1 percent in the first year and we said that would be year two. So, we are actually pretty excited that you are ahead of the curve in terms of ridership growth based on the changes that we made. Thank you.

Simison: Thank you. Council, any additional questions, comments?

Cavener: Mr. Mayor?

Little Roberts: Mr. Mayor?

Simison: Council Woman Little Roberts.

Little Roberts: Thank you, Mr. Mayor. Thank you, Elaine. I just want to say thank you for your perseverance. You have had a vision as long as I have known you and have just figured out different ways to work toward something this valley needs. The look has changed over time. I'm seeing more riders on the benches near me. I'm seeing the on-demand vehicles out and about and to me that's a good sign, that it is being used and you are making progress. So, keep up the great work. Thank you.

Clegg: Thank you.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Elaine, I echo Council Woman Little Roberts' comments. I think you and your team have done a pretty admirable job. I was reviewing your presentation from last year and had come prepared with some questions and your presentation addressed most of them. The ones that I am kind of curious about -- and it speaks a little bit to

Council Member Strader's questions. What are you and your team doing to look at automating your fleet? I think that we are two or three years away from that tipping point of shifting away from driver assisted transportation to driverless transportation and to me I see that as, again, also a tipping point in the affordability of making -- in your -- again we have just discussed the cost of health insurance. We want to make sure that we are paying all of our employees a fair and equitable wage and that you want to do the same for your team and that really comes at a price. So, what are your -- kind of you and your team doing to kind of be forward looking and what is the future of transit in the Treasure Valley? Does it include drivers or do we shift to a -- a -- you know, an automated service?

Clegg: That's a good question. I wish I had enough money to answer it. I probably don't. My reaction to that is transit will include autonomous features and they will be growing probably relatively quickly to the level four-ish autonomy in the next three to five years. The City of Austin just completed a pilot where their electric busses all come into the yard. The driver gets out, the bus goes and fuels. The bus goes and parks. The bus comes in the morning and starts and is ready for the driver all by itself, because in the yard you can do the optical reader path that the bus follows. There is no other traffic. It's really easy to do that. They think they are going to save -- in their case -- they have a much bigger system than us -- millions of dollars a year in operator costs, wages, because those operators have almost an hour a day on -- on both ends, where they are not required to do all the moving around of the bus. So, I certainly see those kinds of things relatively quickly. On bus rapid transit routes or higher capacity routes I think there is a real possibility, depending on what kind of roadway infrastructure we have on those routes, to also have those optical reader paths that the bus will likely mostly follow. You will still need a driver on board I believe. The other thing about -- as I look at public transportation, the driver provides much more than just driving the bus. They greet the passengers. If something happens in the bus they take care of that. And so I think you are still going to need that person on board and it's the ability to move a lot of people together that makes for the efficiency of busses. So, you know, as we get to that more people on the bus together you get more efficient, but it also means you have greater need to make sure that there is a body on board who can take care of problems that might happen and they are not safety problems typically, especially in our region. There is a perception that -- that busses are not very safe, even in regions where there are some safety issues on busses, personal safety issues, bus travel is still much, much safer than car travel. We -- we kill less than a hundred people a year and cars kill 40,000 people a year; right? So, I mean I hate to use those words, but if that's the way you are going to look at it that's -- busses are very very safe, but the security of having that person on board to take care of problems if they arise is I think going to be -- continue to be a big thing regardless of the propulsion and the guiding of the bus, if that makes some sense. So, yes, we are leaning into that. I think in the yard is going to be the place we will use it first and I think there is some real possibilities of -- of some savings there. We are already talking about some savings in our Caldwell facility, not autonomous at this point of how to fuel those busses. Right now it's not a very efficient process and we are -- we are talking about a process that we think is going to cut an hour and a half every two days out of staff wages to get those busses fueled. So, yes,

technology is going to help us all along the way. I don't see fully autonomous on any rubber wheel vehicle, including individual cars. I think the level four is going to be adopted pretty quickly, but I think we are still a ways away from fully autonomous from everything I have read

Taylor: Mr. Mayor?

Simison: Council Taylor.

Whitlock: Elaine, thank you. I think one thing I'm really interested in is -- is how to immediately start using the ability of the ride sharing. That's a -- that's a great value for people who might want to use it. I do think -- you know, instead of envisioning a public transportation system that looked like it did 20 years ago, what is it going to look like tomorrow, five and ten years and the autonomous stuff will come along at some point. I don't know when. But in the near term I think the ability to focus resources on those high traffic areas -- and really appreciate Councilman Overton's comments, even though I usually doubt his math, but he is a cop and it's cars, so he is probably right. But I think -- I appreciate you, as an organization, trying to look more into and expanding on the idea of using ride sharing I think that's a -- I would be very supportive of that. I think that's something that having some consistent routes and some regular bus traffic and getting people to those is very helpful instead of trying to create this intricate, you know, complicated bus route system, try to figure out what the riders are. So, I very much appreciate that. I think, you know, my request would be -- one, I would appreciate what Council Woman Strader asked for in terms of the information. I would like that. Probably all of Council would. But they encourage you guys to continue to be very aggressive in thinking about how to utilize ride sharing to get people to your routes and I'm open to that conversation in terms of how that could look potentially in Meridian.

Clegg: Great to hear. Thank you. Appreciate it. Well, thanks for having me. Thanks for letting me follow the healthcare trust and we will hope to see you soon.

## **24. Potential Public/Private Partnership for Sewer Line Installation**

Simison: Thank you, Elaine. Appreciate it. Next item up is Mr. Stewart on Item 24, potential public-private partnership for sewer line installation.

Stewart: Thank you, Mr. Mayor, Members of the Council. Wait here just a moment for this presentation to come up. It's pretty short, so -- while that's coming up I can do sort of the intro. So, as the Mayor said I'm here to talk to you today about a new concept for the City of Meridian. We haven't really engaged in this type of an agreement before, but as the agenda indicates I'm just going to talk -- talk about this idea conceptually, what it entails. We are going to talk about the project that's kind of driving this discussion, but very lightly, because you guys will be hearing about that project on July 8th. So, I'm not going to go into any details about the project per se, but I want to make sure that part of the reason we came tonight is to give you guys the heads up and basically give you

some information, because they will likely refer to this discussion that we have been having with them around a public-private partnership in that hearing and we wanted to make sure that you weren't caught off guard by that. We are going to talk about the important conditions that as a staff, that being Public Works, Legal, Purchasing, we have sort of incorporated into a draft agreement, as well as the developer himself, going to talk about the timing of the project and the agreement and also potentially how this might be used in the future, limitations, so forth. So, the conceptual idea here is really for the developer and the city to collaborate to advance infrastructure projects from a timing perspective in a manner that would save essentially money for both the city and the developer if we were to do these projects on our own. So, to begin with the developer came to us, talked about the concept of a public-private agreement. We hadn't -- we weren't familiar with them, so we ended up asking for some examples of public-private agreements elsewhere. We reviewed those documents. We got about five different public-private agreements, reviewed those for terms, conditions, one thing and another. Some of those were with the city of Boise. They have engaged in these types of agreements before, including with this particular developer that we are going to talk about. So, we did that review. We, then, met as a staff and talked about what conditions are important to us that we would have to have in this type of an agreement and, then, with the idea that a good agreement had to provide some win-win for both the city and also for development and with the understanding that City Council would, obviously, have the final say on whether they would enter into an agreement and what the terms and conditions of that agreement would look like. So, the project that's going to be driving this discussion around this public-private agreement is a Toll Brothers project. It's called Dayspring. It's located just southeast of the intersection of Ustick and McDermott Road. It's on the agenda, as I mentioned, for July 8. This particular project doesn't have any access to sewer without a significant off-site sewer extension, which is the nexus for the public-private agreement. The city has in our current CFP to build a segment of this off-site sewer in 2028. It's the McDermott trunk sewer that comes south down McDermott Road. It's currently located about a half a mile north of the intersection of Ustick and the old McDermott alignment. Our intention in 2028 is to extend that down to the intersection with Ustick. The developer, whoever they are, would, then, be required to extend that line to the east down Ustick Road and that hasn't changed and that's actually not part of the agreement. The line that's going down Ustick Road is not a part of the public-private agreement. It's only that segment that the city had intended to build in 2028 and I think that's important for everybody to know. The public-private agreement would -- if we decided to do it, would essentially advance that project by two years. So, it would pull it up into 2026. So, here is the -- basically the meat of the discussion. I do want to give some background and talk a little bit about historic practice. So, typically, the city does not engage in building sewer, water line extensions, except in rare cases where those are significant pieces of infrastructure, which would be nearly impossible for any development to absorb the cost and be profitable. These are for major projects for the most part and that's the McDermott trunk. It's a 30 inch diameter trunk line over 30 feet deep. When we go down that road we are wiping out an entire McDermott Road and rebuilding it. It's a huge project, very expensive and very difficult. And so there is not a developer out there that can acquire enough land to ever do that by themselves and make that work. So, the city is going to

-- had planned to do this work. So, typically, we wouldn't do this for any other type of project. So, that's just -- want to make that clear. We don't often do these types of things. So, in thinking about what those conditions were going to be, one of the first conditions that we talked to the developer about was that this project to be considered for a public-private partnership would have to be in the five year CFP. The reason for that is that anything beyond the five year time frame is too speculative. We don't know if it's actually going to happen or not. So, it has to be in the five year CFP. Another one. It would have to be bid out according to public bidding rules. So, the developer would have to follow public bidding rules, because, eventually, public money would be spent on it. The price for the work would be split 50-50. This is the advantage for the city. We have the ability to potentially get this project done for half of what it would cost us to do it if we did it by ourselves and, conversely, it's half the cost for a developer to do it if he had to do it by himself. Change orders were another issue that we wanted to talk about. The concept is that we would split any change orders on a project 50-50 up to a maximum for the city of five percent. The rationale behind that is the rule of thumb in the industry is that if you have a well-designed project and a good bidding process, that overall change orders on a project should be able to be managed below ten percent. We averaged about five percent on the projects we do as a city. We wanted to cap that so that we could ensure that if the developer didn't put together good plans and didn't bid it well and the change orders went over ten percent that he would be responsible for that and the city wouldn't be responsible for anything more than five. So, we capped that as well. The other thing that's really important for us is that the city -- the developer would actually front the entire cost of doing the project. In this case he would front the entire cost of doing the project in 2026. The city wouldn't give our contribution -- our 50 percent contribution would not be due until 2028, which is the year we had intended to do the project in the first place. The reason that's important is we currently have programmed in our rate model and in our CFP to do that project in 2028 and in our just-in-time financing model we don't have the money accrued until that time frame. So, we didn't want to have to pay for the project any sooner than we would have if we had done it and we have had this conversation with the developer and they are fine with these -- these conditions. There is -- these -- some of the other things that are in work and considered or important is that the developer would manage the design and the construction of the process. They wanted to do that. We are fine with that. They are quicker at being able to do that. They have efficiencies that they can use to make that process go faster. The city, on the other hand, our contribution initially would be to basically provide plan inspection, as well as plan review at no cost. Now, this isn't for the entire subdivision, this just for that piece of sewer line in McDermott Road. The city would have to assign a project liaison, which would be one of my project managers or project engineers to actually act as the city's connection on the project and the agreement would have to include a non-appropriation clause. So, this is -- since the city is essentially not going to pay for the project until 2028, we would have to have a non-appropriation clause, because that's a future council decision and you guys -- we can't commit to that until 2028. So, the draft agreement that we currently have has a non-appropriation clause that basically says, developer, you agree and understand that there is a risk that the city council in 2028 may not fund our share of the project and they are -- they are okay with that. They have done that with the city of Boise. They



have done that in other types of agreements with other cities of this kind and, then, just to reiterate the Ustick Road piece of the project is not a part of this public-private agreement. So, that's the meat of it. Where we currently stand is we have reviewed the examples of various public-private agreements by other agencies. We -- Toll Brothers' attorneys drafted an agreement. We took a look at that, made a bunch of changes to it. And by we I mean Public Works, Purchasing, Legal, we all reviewed the document, made a bunch of changes, sent it back to them. They looked it over with their attorneys. Sent it back to us with virtually no changes. They were fine with it. That's essentially where it sits right now. What needs to happen to keep the agreement moving is it needs the financials and we don't have those, because this project hasn't been bid -- bid out. So, what needs to happen now is on the 8th Toll Brothers is going to present their project Dayspring to you guys and if they can get the entitlements for that project they will purchase the land. Once they have purchased the land, then, they will move forward to bid the project out. They will finish the design and bid this project out. Once the project is bid we can, then, input the numbers from the bid and we can bring that agreement back to you as City Council to review and decide whether you want to support it or not. I did want us to -- I mean I assume one of the questions you might have is, okay, this is new, where is this going to be eligible in other places? How many of these are we going to start to see? So, to give you some information regarding that, currently the only projects that would be eligible in the City of Meridian would be the phases of the McDermott trunk sewer. This is one of them. There is one little short segment of sewer line, less than a quarter of a mile, of Elden Gray Street, which is just on the south side of Kleiner Park. We plan to build that in 2029. Not sure any developer is going to jump at that opportunity to do a public-private partnership for that. And, then, we have contemplated that it's somewhere out in the ten year CFP, out there at the very end of it, when the McDermott trunk sewer segments are completed, which is supposed to happen in 2032, we would start building the Victory trunk sewer. It would be about three phases of the Victory trunk sewer. That would also potentially be eligible at some point in the future. So, you can see at -- currently there is only two possibilities in the city where it could even happen and that's pretty much it. Just want to talk briefly -- just reiterate the benefits in conclusion. It advances the timing of eligible projects. Saves the cost for the city and the developer if we did it on our own. The timing of the city's expenditures match what's currently in the CFP and doesn't affect our rate model. The developer does have a risk of the non-appropriation clause, but if they are willing to do that there is -- could be potentially a lot of benefits for the city in that it could cost us basically half what it will cost if we did it on our own at a future date. I guess with that I will stand for any questions.

Simison: Councilman Cavener.

Cavener: Mr. Mayor. Thanks. Warren, I know I have got questions. I'm sure a few other members of Council may have questions as well. What I'm going to ask, though, Warren -- we have got a public hearing that's going to start here in about ten minutes. I would like Council to have an opportunity to have a quick bite to eat before we get to that public hearing. So, if you are available I would like to continue this item to our main meeting and provide an opportunity for questions after the public hearing. Does your

schedule accommodate for that? I hate to put you out at the dinner hour. I'm really sorry. Just trying to make sure that we are accommodating the public hearing and I -- I know some Council Members have some questions they want to get answered before we get to it.

Stewart: Sure. No. I'm fine with that. Thank you.

Cavener: So, Mr. Mayor, I don't know --

Simison: Councilman Cavener.

Cavener: -- if we need an action. We will just adopt the agenda -- that we will add this item to Item No. 2 when we get to our main meeting agenda.

Simison: Okay. Then do I have a motion to adjourn?

Cavener: Mr. Mayor, I move that we adjourn the work session.

Strader: Second.

Simison: Motion and second 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 5:49 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

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MAYOR ROBERT SIMISON

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DATE APPROVED

ATTEST:

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