

MINUTES
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, July 27, 2011, 1:00 p.m.
Meridian City Hall Conference Room
33 East Broadway Avenue - Meridian, Idaho

1. Call Meeting to Order (Pipal):

Meeting called to order at 1:00 a.m.

2. Roll-call Attendance (Pipal):

X Julie Pipal – Chairman
 O Craig Slocum – Vice-Chairman
 X Eric Jensen – Secretary/Treasurer

O Keith Bird – Member
 X Jim Escobar – Member
 X Larry Lipschultz – Member
 X Tammy de Weerd – Member
 X Dan Basalone – Member
 X Jennifer Pike

X Joe Borton – Counsel
 X Ashley Ford – Project Manager

3. Confirm Agenda (Pipal):

De Weerd: I move we approve the agenda as printed.

Escobar: Second.

Pipal: All those in favor signify by saying aye. Any opposed same sign.

ALL AYES. MOTION CARRIED.

DISCUSSION ITEMS

4. FY2012 Budget Work session

Pipal: Ashley would like to just go through briefly what we have in our packets? I would like to note for the record that Member Bird has joined us.

Ford: In your packets you do have a budget that has been replaced by a loose copy – it says revised on the very top of it. The revision that includes one number that was able to be updated once the Board packets were printed. You also have two different requests that go in as attachments with the packets and one of those is from the City of Meridian Public Works

Department in terms of dollars that they have (inaudible) for tree replacement. The other is a memo from Tim Curns in the Public Works Department. As you may recall some of you back in, I believe it was the first meeting in February, they gave a representation on the corridor and what progress that was being made. There were two large (inaudible) parcels that were discussed and I asked the Public Works Department to put together an estimate of what the costs are for the necessary water structure to both those parcels so that if this Board felt the (inaudible) split corridor construction starting in 2012, we would know what those costs would be. So it would be much cheaper to do it now verses (inaudible). So that is what I have for you in the packets. We didn't really solicit any – I guess requests from different programs; what we tried to do, Eric, myself and Teri is go through the budget from last year and try and see what has changed, highlight the areas that we have questions on. The other thing that we tried to do to make it simpler, especially for Teri when it comes to audit time, is to make sure that the budget, the format matches how she tracks her expenses. Those were not happening – we had a (inaudible) format last year that was not project based and it was making it very difficult for her to track the numbers and where they should be placed. So hopefully this will make it a much cleaner process for her. Madame Chair that is all I have for you.

Pipal: Ashley also provided for us some budget notes. Did you go over those?

Ford: I did not. I only gave these to the Chair and to Mr. Jensen. There are some items that weren't included in the budget. They were just discussion items and I just want to keep it in their minds as we have discussions today. (Inaudible) to the branding effort – which we have had on previous agendas that we have discussed. The second one as I just mentioned is the split corridor and those parcels – the third which we are not going to get any development block grant dollars for this year but I think it is an important topic to discuss – the flood plain study – that is the \$50,000 effort to do those first (inaudible) and it is my understanding in talking with the Public Works Department their fiscal year dollars – wouldn't be able to do anything until FY2013. So I wanted to bring that back to you all for discussion and see if that was an important enough project to move forward on and four was the tree partnership with the City Parks Department and the fifth item to keep in consideration is there is a residential developer that is looking at some properties behind the Rite Aid off of Cherry Lane and one of the questions I am consistently getting is what can MDC do in terms of assisting infrastructure costs. So I wasn't sure if you wanted to put aside a certain amount of dollars for that specifically or put that in the streetscape program? I just wasn't sure (inaudible) about that so I just wanted to bring that back to your attention?

Pipal: Another thing that you need to be aware of is that the contracts for both our project manager and our counsel require that they be at least discussed. There doesn't have to be a change in the amount but there is a requirement that we negotiate with the contract holder so that going forward into the next year – they can be extended, but they can't be extended without that discussion taking place. So there is obviously a placeholder for that but the final number will have to come after and probably get some folks, some volunteers to talk with both Red Sky and Joe about renewing those contracts and negotiating them. What Ashley and I talked about for the workshop was how to get priorities from the Board on what we wanted to do. We have the revised budgets in front of you and they indicate – Ashley did we ever get the side by side?

Ford: You will see in the very last column, there is the FY2011 actual to date – so keep in mind that only goes through June.

Pipal: So we don't have --?

Bird: We don't have what was budgeted.

Ford: So it is actual dollars to date.

Bird: All we have is actual –

Pipal: I guess for a reference we can discuss the percentage that our tax increment is down from last year.

Ford: Actually from what we understand from the Ada County Assessor's Office is that we are going to come in right about the same – basic numbers that they are giving us because the levy amount will be adjusting. So while the revenues will be done the levy amount will be adjusting and so we were actually coming in around \$950,000 based on preliminary numbers. Eric and I sat down with the county on the limitations and what we have ongoing (inaudible) back and forth. We will have the hard numbers in August but (inaudible).

Pipal: Because what I wanted to be able to talk to you about today and have the discussion is priorities of the Board and what we need to be driving the dollars toward and kind of my philosophy on budgeting is that your highest priorities, you make sure that they are covered so that you make sure that you get a return on that investment and then as you look into your overall budget and make decisions – maybe we wouldn't do some things next year that we have done this year. But I want the priorities to come from the Board and what Ashley and I talked about yesterday was to get some feedback. We have the things that were listed from the destination downtown and the things that the Board has talked about, but we really haven't had a chance as a group to talk about what we see the priorities for in 2012.

Lipschultz: Two items that I would note and one is that FY2012 will be a little bit different from the last years that we do have the debt repayment obligation to Washington Trust with the VRT COMPASS project and those numbers include both principle interest portions in the draft budget – obviously in terms of priority – the second items – I was looking back on my notes and the initial draft budget that we had for FY2011 we had \$450,000 for the split corridor landscaping and I think we took it out of this 2011 budget because of timing and such that we didn't think it was going to be in FY2011, but we need to go back and look at that agreement. I don't recall – maybe Mr. Bird recalls – I don't recall if that was an estimate on MDC's portion of the landscaping or how we got to that number – but we obviously (inaudible) and need to clarify what would the obligation is and what is the timing of it whether it is 2012 or 2013.

De Weerd: I don't recall.

Bird: I don't recall how we got to that number.

Pipal: Ashley can you tell me what the differences between what our actual to date on the Broadway VRT building and what the total is going to be for the year?

Ford: I don't. I cannot. (Inaudible) and the items coming in. We don't have those dollars right at this point. We do have a contingency within our loan. The issue will come down to when those change orders hit and what percentage the project is completed – so with the contingency (inaudible) probably renegotiate our loan with Washington Trust – but right now we are under that threshold.

Pipal: What percentage are we supposed to be complete by October 1st?

Ford: The building was initially supposed to be completed on October 18th and then the change order, if that is approved today (inaudible).

Pipal: So most of that impact would come in this fiscal year?

Ford: Yes.

Pipal: So do we have an estimate on what that obligation is going to be?

Ford: We do not. (Inaudible).

Lipschultz: Just to add one thing (inaudible) change orders – increase related to the electrical (inaudible) in the contractor's numbers but paid by us – so the increase is an offset (inaudible) provide an update where we are verses (inaudible).

Pipal: I would just hate to have nothing in the budget that goes to the public.

Ford: I think the biggest unknown for us in terms of this next fiscal year with COMPASS and VRT building is that we won't know what the (inaudible) costs of the irrigation work are until they actually get in and start doing that work (inaudible) and so that is the biggest unknown at this time. Because we do know there is some further concrete removal that is needed.

Pipal: In addition to those obligations I would really like to know the feeling of the Board on some of the things that we are doing currently that we should continue to do or maybe some things that we need to reassess. But the numbers are here, but what we do really depends on what we want to make our priorities for 2012. We have accomplished one of the important things and that was to get the destination downtown public input request to get a market in downtown going and that is done, but we still have way finding and signage, we still have a branding for the downtown area, those things will have to be included or maybe not included. That is really up to you.

Ford: There are three items that we had questions about – we weren't really sure as to what the thought process was – one there was \$10,000 left from the audit this last fiscal year for grant writing services. I don't know the background or what the thought was for that. So I don't know if that is something that needs to stay within this budget – second was professional services for 3D modeling (inaudible) other than the new COMPASS VRT building I am not aware of anything else that has changed in the downtown that we would want to allocate dollars for this next fiscal year. So that is a question that we had and the third was there was a training allowance as well. I am not really sure what those dollars were traditionally allocated for, but those are the questions that we had when we were looking through this.

De Weerd: Is there a chance that we can kind of walk through item by item and get – would it be possible to find out what we have spent over the last year or two on each of the items to see a little bit of a trend and have a discussion with some more information?

Pipal: Well it appears that we don't have 2010 in front of us, so we probably would just go through – as Member Slocum requested we have to have a side by side comparison before we make any final decisions. I know that is difficult because we don't have the same columns to line up with what – how we fixed things so that we made sense to our accountant, but if we can try and do that as much as possible? Then maybe what we can do is walk through what we know about the line items, maybe section by section for discussion purposes.

De Weerd: Are the financials on the website?

Ford: We have not put them up on our website at this time. Traditionally they have not been on the website and that was one of the discussions that we were going to have, but with the new website being launched was the executive committee was to determine what level of information do we provide? Do we provide everything that is in the Board packets or what specifically would be placed on that? So that was on our agenda for our next meeting to discuss.

Bird: This is public record. So it is public and should go on the website.

Ford: We have not had the conversation (inaudible) and I just wanted to see if there was a specific format – I am not exactly sure –

Basalone: Maybe before we get into specifics, individual budget items, I think we should talk a little more philosophically in terms of what you had brought up before in terms of direction; because just looking at the budget as it is presented here; I see \$60,000 potentially in capital expenditures. To me those are visible things that people in this area, the renewal area would see. A lot of the operational expenses are not that visible, so I think that we need to maybe discuss a little bit how much of the visible versus the non visible should be in the budget so that we can show progressive movement to the community.

Pipal: Ashley why don't we start talking a little bit about those things that are under capital expenditures – page 1 over to page 2. Why don't you just generally run through the capital expenditures and get some feedback from the Board on whether or not these are still priorities and that we want to take them forward?

Ford: In the meantime, Teri is trying to email me a document – for capital expenditures, as I mentioned the first question we had was in regards to professional services for 3D modeling. I wasn't here as part of that MDC visual for that effort, so I am not sure what the priority is for that or the thought process. So we went ahead and left the same amount that was in that budget that was in last year's budget and so I would certainly want to hear back from you all.

Pipal: Just go ahead and run through them real quick.

Ford: Oh, okay, sorry.

De Weerd: Can I – who's budget is being presented to us? Is this the executive committee that is bringing this? Is it Ashley? Whose proposal is this budget?

Pipal: This is our current budget just translated over with the actual to date on the right hand side.

De Weerd: So we did have a committee that has looked at this, vetted it -- is proposing it?

Pipal: No.

De Weerd: Okay, I just needed to get a point of reference as to where this came from.

Pipal: It is carried forward – you know in the past and my experience in the budgeting that I have been in, it has come forward and we have responded – I mean, generally the entire Board responded and what I would really like to see is the Board provide some – give a good sense of direction from the Board and then we can make that recommendation to the public. So all it is

is numbers just carried forward and I would like to know what this Board thinks as a whole and what they want to be doing in the coming year.

De Weerd: Okay.

Ford: Just so you know on the screen we do have the 2010 fiscal year budget (inaudible).

Pipal: So probably what we will do is just reference –

De Weerd: Could you maybe email that to someone maybe upstairs and they can make copies and we can get – I don't have my glasses, so I have no idea what that says.

Pipal: So we can tell you what it says.

De Weerd: Would it be helpful if people had it in a hard copy in front of them? If you email it to Peggy and ask her to make some copies that would be helpful. I appreciate you doing that.

Ford: Continuing on we added the Broadway VRT building (inaudible). Tree replacement, which we are having the discussion in terms of the city and cost sharing – the façade improvement program; directional signage and way finding and signage for the downtown; Main Street (inaudible) arms; sidewalk improvements and surveying – so those are the items that we have currently with the biggest budgets.

Pipal: So is it correct that the only amount that we have spent in capital expenditures is on the Broadway VRT building, but we haven't – but we have allocated funds, we have obligated them for tree replacement even though we haven't spent them. We just don't know the timing.

Ford: That is correct. Also I think Commissioner Lipschultz and I had – knew that we were going to have to cover some additional funds for the COMPASS VRT building the original loan didn't cover (inaudible) in the likelihood of certain projects not being completed this year (inaudible) as a result of that too.

Pipal: We got a minimum the tree replacement there will be – because we don't know when the Church of the Harvest will require the funds that we have already obligated. It is either going to have to fall in this budget or carry it over and list it –

Ford: That is correct and they will be making a presentation to the Board on August 11th or whenever our next Board meeting is and telling the Board the updates and what they anticipate coming to us for those dollars because that is the very last stop.

Pipal: The professional services for the 3D modeling didn't we provide all of our files from destination downtown to the gentleman over at Meadowlake Village?

Ford: (Inaudible) 3D lights (inaudible) on the VRT building. But the 3D modeling (inaudible) that was that contract.

Pipal: But we didn't spend any of the dollars to do that and were there any needs identified to help assist Meadowlake Village in completing --?

Ford: Only as we could give them direction in terms of what specific parcels we may have in the future. They did ask me if I could get the files for the Church of the Harvest (inaudible), but

have not shared the files with them (inaudible) to do so, but I have not received an answer – so I am hoping when he (inaudible) we can actually have discussions about that.

De Weerd: I guess just for point of discussion – I know we haven't had a meeting lately on the directional signage, but in order to move that project forward is \$20,000 enough? Do we have some cost estimates? There were some follow up steps I thought to our last meeting and some of that was some cost estimates as I recall.

Pipal: I wasn't able to attend that.

Ford: I am sorry I was distracted.

Pipal: Do we have cost estimates from our last way finding and signage meeting for going forward what is going to --?

Ford: Well we do. They basically are represented in here – the question is after undergoing the branding session that was going to affect the way finding and signage and so we weren't sure exactly what that would look like. I wanted to have the discussion with the Board if we wanted to allocate more dollars towards that.

De Weerd: Based on what?

Ford: The branding session – the branding of downtown would translate into way finding and signage and we have had that discussion a couple of times. So do we want to put more dollars towards it? So we wanted to get some feedback on that.

Pipal: Unless somebody has any more specific details about this section, I want to go back to what Member Basalone had requested. We talk about what we want to be doing –

Basalone: I do have questions. Being unfamiliar with this budgeting process, for instance, the \$950,000 that we are starting with is new money for this year, it doesn't reflect carryover money, it doesn't reflect non encumbered money, so we really don't know what the actual budget for 2012 is until we know those unencumbered amounts? It would be helpful if we had the encumbered figures, the money that is actually earmarked for something or we have a commitment, but it hasn't been actually spent yet – I do have a question about the general fund column appears to be the revenue column, but I don't see for instance the \$100,000 that is under initiatives and studies in that column, so I am wondering where that actually comes from? If it doesn't come from the general fund, is it coming from another budget and so those are the kinds of questions and maybe that is just obviously my newness or lack of knowledge on budgeting procedures.

Pipal: That is why I was asking the questions about the unknowns for the 2012 with the Broadway VRT building because that really – and the tree replacement are the only things that I am aware of in my discussions that would be possible carryover or have an impact on the 2012 budget. I haven't been through this process before and we have new Board Members on whether or not we start at zero and add or do we take \$950,000 and try and drive as many dollars into the budget as possible and drive them toward the priorities – I don't have a sense on how the Board wants to do that.

Basalone: I think that is a good question and I am not sure either.

Pipal: Well if everyone would not mind taking a minute so I can have a minute with Ashley – why don't we take a quick break and everybody can go put passes on their cars and we will recess for about ten minutes. We will reconvene at 1:50.

(RECESS)

Pipal: It is 1:54 and we are back in session. What we are going to do and Ashley is working on that with the MDC notes from Teri. We are going to get a total estimate on funds that are encumbered and then we will have estimates on the categories for professional services, operational expenses and capital expenditures so we have some breakdowns and we know what the totals are in there and those will be the things that we would assume that we would continue carrying forward to do business and then we should know from those numbers what the remainder is and then we can talk about the additional priorities and of course we can always discuss whether or not we want to continue with certain programs, but that is generally how we are going to proceed. Were you able to grab those Teri?

Stockton: The total budget (inaudible) professional services are \$264,200.

Pipal: \$264,200?

Stockton: Yes.

Pipal: Okay.

Stockton: The total operating expenses is \$517,144. The total capital outlay is \$410,000.

Pipal: Thank you very much. Did everyone get those?

Bird: What was the first one?

Pipal: \$264,200 for professional services.

Stockton: That is with revised numbers –

Pipal: I am sorry Teri I didn't hear that?

Stockton: That is with the revised numbers for principle interest payments on a debt service on the amortization schedules.

Pipal: Can you tell me what those are so that everyone will have them?

Stockton: So you have the COMPASS VRT building column – it says \$42,000 right now, it should be \$279,412.

Pipal: I thought we were going with what Larry estimated?

Stockton: From everything – okay (inaudible) total?

Pipal: For principle, \$70,000.

Stockton: And then interest –

Pipal: And what is your figure for interest?

Stockton: \$45,000.

Pipal: Okay.

De Weerd: Okay, well that is quite a difference between \$45,000, \$70,000 and \$280,000. What is --?

Pipal: Member Lipschultz can you explain the reason for the estimate?

Lipschultz: Over the next two weeks we will come up with the exact number, but what is going to happen in 2012 is – will sell the project to COMPASS and VRT and we will take those proceeds and pay off the construction loan. We will then have a term loan remaining for \$1 million that is a ten year fully advertised loan. The \$1 million, about 45 percent of that will be paying off the Bank of the Cascades loan that we have outstanding and then the other \$500,000 went to our portion of the VRT COMPASS project and so that \$1 million loan from Washington Trust is fully amortized ten year loan and the estimates on principle of that about \$70,000. As the balance comes down, more of the payment towards principle and less towards interest (inaudible).

De Weerd: So it is net?

Lipschultz: I think the numbers that they gave Teri included some of the down of the construction loan. I am not sure and we will confirm that with them, but again it is \$1 million paid off over ten years, so it will be somewhere in the \$70,000 area.

Pipal: So Teri does that change our operational--?

Stockton: Operational would be \$307,144.

Pipal: Those numbers will be hard numbers for the final budget that we put forward to the public. Okay, Ashley do you have the total encumbered numbers?

Ford: (Inaudible) and interest and everything that falls under professional services (inaudible).

Pipal: Okay, so the debt services and professional services don't include the other operational expenses?

Stockton: (Inaudible).

Pipal: Well it looks like if we assume the things that we are required to do there are items from grant writer services, (inaudible) down through Arts Commission, parcels and the capital expenditures would be the things that we would need to look at.

Lipschultz: I would suggest that we look at three potential areas of spending. One is absolutely encumbered which is debt services and the next area would be (inaudible) contracts – (inaudible) – it is not required to spend – it is things that we want to do obviously, but not required. The third area is the total discretionary – so again if we can kind of go through those contractual types of expenses and the one that jumps out as an example is legislative services – we don't need to do that this year after everything that was done last year – and decide which of those you want to pursue this year and which we don't. The (inaudible) contractual expenses

we want to do, plus the required spending, debt services and subtract from the \$951,500 plus the Ground Floor revenues, we would know exactly what was available for discretionary spending. Then the Board could have a discussion whether we want to go to the additional reserve, use all but discretionary spending or what you want to do at that point.

Bird: I think first you get at what your revenue is going to be and a good estimate on that then we do have an obligation on loan and then we have our operational costs and then anything left over we can look at what we want – what is priority there and in my opinion, my first thing is I don't think it hurts to take at least 5 to 10 percent of your estimated revenue and putting it aside because being owners of two buildings and going through another building and a parking lot that we are going to own part of, you never know what is going to come up and our tax revenue evidently is coming in pretty bad. We only have about 61 percent of our revenue. I don't know – a bunch of it should come in July, but we don't have that figure yet, I guess?

Stockton: (Inaudible) a check for \$299,000.

Bird: We have got \$299,000? So to date we are about up to \$700,000 or \$800,000 or something? Okay, that makes me feel better.

Pipal: So just for clarification the number FY2011 actual to date is \$800,000 not \$570,000? Okay.

Bird: I think that is the way we are going to have to do and we are going into an area that we haven't been in before being building owners and other stuff like that. I think Larry you had the right idea – you are obligated to pay the loan back, absolutely. I don't think it hurts to have a little extra on site for that because (inaudible) and then we have got our operational expenses that you have to consider in and then what we have got left is what – I don't know really outside of the obligations that carry forward – has the Parks Department billed us for any of the tree things this year?

Ford: No, the way the conversation started, I received an email from Stacy saying that we have this agreement and it has been in the city for years and MDC owes the city, I think it was \$30,000 to \$35,000 and apparently Steve Siddoway was not aware of this arrangement either –

Bird: Tell them to send us an invoice.

Ford: So in conversations with the executive committee (inaudible) and so the way that I was directed was – well I don't know that we have the dollars to be able to do that this year and then some of the overages on the new building, but what I had Steve to do was to put into writing a formal request for this next fiscal year which is what you have in your packet and that way we could move forward. So I don't think (inaudible) and I brought it up to the Board at the last meeting – (inaudible). I just didn't know if we could do it.

Bird: I agree to the point that the first item, like Larry said, the loan and then operational and then the third item should be the tree replacement and a high priority.

Ford: One of the things that on that particular item is we would engage to help put together an MOU in writing with the city and MDC and moving that forward.

Bird: It would be nice what their actual cost was and what percent is ours – you know, what is our agreement – are we going to pay 40 percent or 50 percent or 100 percent.

Ford: What they have asked for is 50 percent of it –

Bird: That is what I knew –

Ford: And Elroy Huff with the letter in your packet he detailed what those costs were so approximately it is \$6,100 for (inaudible) and he is asking for five trees.

Pipal: Member Bird I want to go back to your proposal to the Board about setting aside a certain percentage of our anticipated revenue. I want to know what the rest of the Board thinks about that and what might – you gave us kind of a range of what you think might be a good number to set aside.

Escobar: It makes sense to plan for the unexpected and showing the property owners (inaudible) vision; so I am in favor of setting that to our budget.

Basalone: I would agree as well that a prudent reserve is really something that we should have and I think percentage of the reserves should be based on the total revenues that we have. If our revenues come in in excess of \$1 million we may want a (inaudible) percent reserve, if they are less than a \$1 million we may want an 8 percent reserve. So I think the revenue stream will tell us what the reserve should be.

Pipal: Does anyone have a recommendation that we can put into the budget? Eight percent?

Bird: That would be fine with me, I just think that we do definitely need in case of a rainy day, owner buildings and stuff you could – we have a parking lot that we are going to be owning down there and I just think that it is very prudent for us to have a little reserve anyway.

Pipal: \$76,000 based on just the \$950,000, not the \$951,000.

Bird: You could use that up pretty fast if you had a problem come up or something.

De Weerd: Like a change order.

Bird: I think it is very prudent to have something like that.

Pipal: We obviously will have time to think about this, but is \$76,000 a good number just to start with?

Bird: I think so. I like the percentage because then that way if you don't have the \$950,000 actual revenue, it goes down. I mean, I don't want to commit us, Julie, to \$76,000 if our revenue all of a sudden went down to \$850,000 or something like that.

Pipal: So eight percent?

Bird: Yeah, eight percent of total revenue.

Pipal: Okay. Do we want to include or exclude other types of interests – do we want to have the total or do we want it to be based just on the property tax revenue?

Bird: In my opinion, property tax revenue.

Pipal: So the final whatever that number is, whatever we propose to the public will include an eight percent reserve based on the property tax revenue.

Borton: I think for publication purposes that you will need in the budget; you will need to insert an (inaudible) if you are going to make an estimate at this point that your receipts are "x" and apply that policy to that.

Bird: Well we have got estimated revenue before we even do the budget – and so we can put that in, but as long as it is eight percent, understood it is eight percent then as a revenue – if the revenue doesn't hit what we estimated and if it goes higher then we can put more in.

Basalone: I agree – what I hear Commissioner Bird saying and Joe, what I hear you saying is that when we present to the public we are presenting a snapshot in time; we know our revenue at that point and time. We will give them whatever eight percent is at that point, but if in the future the revenues after the fact go up then we could still use the eight percent figure for the new revenues that is what I heard.

Bird: Yeah.

Pipal: When we pass the resolution adopting the budget we can include that language so that we have it by policy to adopt as we go through the year.

Bird: I am sure Mr. Borton can legally write something real nicely to cover that.

Pipal: For today as we are looking at numbers we will just talk about \$76,000 because we can. I hope somebody else is also doing the math because I have fat fingers.

Bird: What is our estimate of total revenue?

Pipal: I think what I heard Ms. Ford say earlier was that the estimated revenue was the same as –

Ford: Actually it came in around \$970,000 but we stuck with \$950,000 just to be on the safe side of the draft numbers.

Bird: Then interest earnings she is estimating \$1,500?

Pipal: Is that correct, Teri?

Stockton: Correct. It has only been \$900 to date.

Bird: And (inaudible) for the incubator? Is that correct?

Pipal: To date.

Bird: How come when we are estimating that when it is actually (inaudible) for this year?

Pipal: That is our actual to date?

Ford: Yes, to June.

Pipal: So we are –

Ford: Under.

Bird: It is an inflated revenue – you can't even come out with a close budget. Your revenue should be on the short side.

Pipal: That was what we had anticipated in 2011.

Bird: But you have got an actual right there, if that actual is right.

Ford: Gwen is here and maybe you may be able to explain why –

Runyon: Gwen Runyon, RFR Properties. The annual budget that Ashley asked me to perform was based on moving into the new building. It was anticipated that we would have offices to lease, but previously we have not had any to lease. (Inaudible) assumed that we would be able to lease those offices (inaudible).

Bird: My philosophy is you have an actual of 6; that is what I would throw in for a budget. You come up with 25 at the end of the year that is a nice reserve that we have got and in the next year we can budget 25. But you don't have 6 and then budget 25 – because if we don't have a signed contract (inaudible) – this is what gets tax municipalities in trouble. It is over estimating revenue and setting your budget to it and then spending it before you realize that we don't have it.

Runyon: I apologize; I wasn't aware (inaudible) Madame Chair.

Pipal: Gwen, no apologies necessary, but specifically to Member Bird's point, I think we stick with the estimated revenue at \$950,000 and that anything that we get from the Ground Floor we should be looking at – the Ground Floor subcommittee should be looking at in terms of whether or not we want to recommend continuing to do those kinds of things, revenues verses expenses, but I wouldn't include it in the revenue stream.

De Weerd: Gwen I hope you know how much we are collecting, so if you don't get these numbers, you should be getting these numbers.

Runyon: I know of the monthly basis – yes, I do know that.

De Weerd: I am like Board Member Bird that we need to be conservative in our projections so we know we are at least meeting them; so we can be meeting any financial obligations that we make as well.

Pipal: If we look at those things that we are required to spend. So far I have the debt service and the set aside –

Bird: Let's go with our revenue – you have got to put something in because you are going to have expense. Let's put in for the incubator and let's put \$7,000.

Escobar: Should we put more than that considering that is a to date figure?

Bird: That is to date? Well if we get more then that is –

Escobar: (Inaudible) seven or eight months and that number –

Bird: Well you have got July, August and September. Three months. I don't know, I would certainly be conservative and if we get extra that is fund balance. Every taxing municipality in my opinion should at the end of the year should be just like (inaudible). It should have a fund balance – it doesn't have to be a lot, but it should be a fund balance.

De Weerd: I would rather than the Board pulling a number out of the air; ask the administrator to give us that number of what she feels minimally she can collect and you are the one that works with the obligations that you have and get us conservative numbers.

Runyon: I think a conservative number if the Ground Floor is to be maintained as it is right now, we average about \$1,000 to \$1,200 a month – as we are right now at that location operating (inaudible). So a conservative number would be about \$12,000 –

Bird: Have you had us since October 1st?

Runyon: Yes.

Bird: Okay, tell me in nine months how you come up with \$6,600, if you are averaging \$1,000 to \$1,200 a month?

Runyon: When I first took over the Ground Floor we only had maybe two or three tenants. We have consistently maintaining a tenant base that I don't think we had before. We have five full time tenants now. I thought we had lost one, but we got him back. We have been maintaining our tenants. We lose them with the limited members and they kind of come and go, but we have been maintaining a good basis since about January and been on track with those. So it is your call, but consistently about the last six months we have had about \$1,000 a month and on a good month, \$1,200, sometimes \$900, but it has been about \$1,000.

Pipal: Gwen before we finish maybe what you can do is just calculate an average for us over that time so we can take January at \$1,200 and with what you know previously and maybe we will do an average month late and come in lower, so we can anticipate and we do know we are going to save money in what we are doing in moving the Ground Floor so if you come up with an average number and we will base it on that instead of basing it just on the last six months.

Runyon: Okay.

Pipal: If you could just quickly come up with that we will make sure we get that plugged into the –

Basalone: I don't think we need to be so specific with that revenue source because as was mentioned before it is really going to apply to next year anyway and if we got \$12,000 and we only budgeted for \$6,000 that \$6,000 isn't going to be lost, it will be in the 2013 budget and it will be actual money that we will have. I would rather go very conservative with this and just view whatever the overage is as another reserve rather than trying to figure it out and getting into a sitting position where we might be overestimating rather than underestimating.

Pipal: Well we will have Ms. Runyon calculate an average over the last couple of months and we will see what that looks like and see what we want to put into the proposed budget because counsel will make sure that we have a number to fill out every line. So right now if we are looking at – I think I came up with \$737 once we have debt service and set aside – to Member Lipschultz's point counsel will keep us on track. Obviously we have in our professional services, we can start there – we have our administrator services and are going to need to have someone

do the things that we do – is it the feeling of the Board that we leave that because we do have to renegotiate. We are going to have to put some folks together to talk with Red Sky. Do we want to leave that number as is for now?

Lipschultz: I think a suggestion in terms of the professional fees to Red Sky for both project management services and public relation services – to your point, I think by agreement to have that discussion in terms of what is the go forward plan for FY2012.

Pipal: That would also include legal services.

Lipschultz: I think what I would suggest is that either the executive committee or a sub committee would more address those three areas and meet with Joe and meet with Ashley and Red Sky and come back to the Board with a really comprehensive recommendation in terms of a going forward plan for 2012. As an example, it would include not just the fees, but kind of the expectations of the Board – expectations of the professional companies providing the services just to make sure that everybody is on the same page for 2012 in terms of what our go forward plan is. That could come back to the Board as we finalize the budget – you know, number one respect to the budget if the numbers change at all, lower or higher based on outcomes and approach are and the secondly just in terms of the services provided and make sure that expectations (inaudible).

Pipal: So I think you would also be including the Ground Floor in that recommendation?

Lipschultz: Yes, all of the areas of professional services that we have. I think it is good practice (inaudible) it doesn't have to be a long needed process, other than (inaudible). Obviously in all of these agreements we would want to know what and when (inaudible) MDC and providing services.

Bird: How much did you put in there dollar --?

Lipschultz: Well, I guess what I am saying is perhaps you know for those areas, legal, project management, Ground Floor, public relations –

De Weerd: Auditing and accounting.

Lipschultz: Audit – I think we are going to be doing an RFP on that. Perhaps use these estimates (inaudible) before we finalize the budget and sooner rather than later have those discussions and come back to the Board with any recommended changes.

Pipal: -- those things that we currently have in the process because the on call engineering we are going out for RFQ and the same with the audit. So those come in separately, but I agree placeholders, numbers that are already there for right now. Then we would look at all administrative services, public relations marketing, contract with legal services and accounting and audit and talk about legislative separately, but is there a willingness from some Board Members to help with that because we will need to visit? Member Bird? I would like to be involved as well, but if there are members who would want to do that then I would gladly give up that spot to have another –

Bird: Julie we need to set a number so that we can get this published because we have got to pass this a month from now because we have got to turn it in.

De Weerd: You have to publish it before a month from now –

Bird: Well we have to publish it here in a week. So we have got to set a number right now.

Pipal: We want to assume the same?

Bird: I guess that would be my feelings and if it comes in lower, hey that is –

Lipschultz: What is the timing on that?

Bird: You have got to have it turned into accounting by September 12th I believe it is. You have got to have a public hearing and you have got to have two to three weeks of published – is it three weeks, Tammy? It is pretty close to that. Because we are going to have to have a public hearing and adopt it the last meeting in August and then we can –

Borton: I will give you a timeline on this process. August 24th will be your public meeting to adopt the final budget; you have to provide notice, publish twice at least seven days apart prior to that – so ideally you could adopt a tentative budget today, you would technically have legal room that if you had a meeting next week and adopted it next week you still would work to publish it in that timeframe.

Bird: But we can't wait till our regular meeting in August -?

Borton: Correct. Today is ideal; next Wednesday is drop (inaudible).

Pipal: So I think we will assume no increases in those at this point and maybe a decrease, but again that is not a problem –

De Weerd: You can never increase, but you can always decrease.

Bird: That is right and that is why if you think there is a chance that it might be an increase let's set the budget a little above what we think and then if it is under – it is like Tammy said we cannot increase.

Pipal: Well do we want to anticipate that there may be requests for increases or what is the feeling – with revenues the way that they are, I don't know –

Bird: Personally I don't think we can afford to increase because our revenues are slow coming in and they are not going to go up. If they hold their own we will be fortunate.

Lipschultz: I guess if we use these numbers and something did change upwards (inaudible).

De Weerd: Your process is through budget amendments and you generally do that at the end of the budget or prior to publishing. We have already published our amended budget for last year as the city.

Bird: If we have any amendments we have got to get them published too, Joe. Can you check that out and see if we have any official budget amendments? I don't recall any.

De Weerd: (Inaudible) building project?

Pipal: But we also had a budget decrease with the power.

Bird: But you have got to show budget amendments, increase or decrease of what the final budget is going to be for FY2011.

De Weerd: We have a major building project right now that we have done some amendments so that needs to be done.

Bird: We need to do that too and get that published.

Pipal: I will work with Joe to make sure that we capture that and get it done within that same timeframe. Now is that required that it also will go to the county?

Bird: Yes, it does.

Pipal: And this is the September 12th deadline as well?

Bird: We have always sent it the same, so I have been told that that is. So check with Stacy or Reta can exactly tell you – but we have always been told that it went in the same time as our city's fiscal year budget.

Pipal: Well Joe and I will take care of that. For the purposes of today, we will carry those items forward with the same amount – (inaudible) the reason we are going to do that and we can look at it if we need to as the information becomes available. I do want to discuss briefly the legislative services – unless, some needs to ask a question?

Basalone: I do and I apologize I had to step out as I didn't realize I was going to get my car towed away so I – no, I am teasing. The question that I had in terms of professional services if we are talking about not increasing the amounts but keeping such the same or lower than last year, the only one that I would have a concern with is the contracted legal services, which the actual is 126 and the budgeted amount is projected at 65 and when I look back at 2010, it was that same situation – the budget amount was 65, the actual spent was 192. So are we underestimating or under valuating legal services?

Ford: I can address that. The reason for the overture for legal services this year was due to solely in fact to COMPASS VRT project and some of the issues that we have encountered from the process for the building and particularly Buy America – there was just an enormous amount of work that had to go into that. Also including the financing issues that had to be resolved as well too and that is where that overture came from –

Basalone: So that is one of the amendments that we are talking about that has to be corrected in terms of this year --?

Ford: I have been having discussions with Counsel Borton because my understanding is as long as we don't exceed what our operating revenue dollars were projected and as a line item issue we don't necessarily have to go through an amendment but he is doing that research for us to make sure that we do this exactly how it should be, so if it is required we can certainly do amendments, but we have had worked along each month break out what is (inaudible) to the COMPASS VRT project and what is (inaudible) to day to day services that they provided to MDC. I think with the \$65,000 in this, we are on track to be able to meet that.

Basalone: Meet the needs for this coming year with 65?

Lipschultz: I think some of those funds to Ashley's point were actually included in the soft costs of the construction project budget, so we actually had it budgeted –

Basalone: I wasn't questioning the expense I was questioning whether we needed the budget \$125,000 for this year. That was what I was getting at.

Pipal: With regard to the legislative services – I don't know if any of our new members are familiar but we did have a concerted effort to get a bill passed that got some of the concerns of legislators out of the way -- with some of the transparency and operating concerns that they had with the Urban Renewal Districts. I think that there is a little bit of residual left over on that, but I think most people believe at least in most of the state, there are still concerns up in Northern Idaho and those are not going to go away until the Lake City Urban Renewal District goes away – it is not going to go away, so I do not foresee and I have not heard of any reason why MDC would need to be retaining legislative services for the 2012 session. Obviously if it is something that we want to do – I don't foresee those issues coming up again, that a phone call to Leadership could not solve some problems. We certainly as Board Members can do those – can make those kinds of phone calls.

De Weerd: So that should be zero?

Pipal: That would be my recommendation just because I was involved in that all the way through.

Escobar: I agree – if it is zero (inaudible).

Pipal: Agreement?

De Weerd: Yes.

Pipal: I see people nodding. As long as it is not nodding off.

De Weerd: I was going to say amen.

Pipal: Just really quickly what is the professional services – what is that \$4,500?

Stockton: Sometimes I have to go (inaudible).

Pipal: For the final budget when we get these things and I think that Member Bird brought it up earlier that we need to be able to identify exactly what was it spent on, exactly where the money came from and exactly what we spent the money on – professional services is a little bit more general.

Stockton: I think most of that was transcriptionist services.

Bird: What was it?

Pipal: Transcription services for our meeting minutes.

Bird: Well why isn't it down there?

Pipal: I don't know, but for the future those items and Teri you and I talked about the one up above on the miscellaneous revenue – let's just see if we can get those allocated to the right place so we know what we are looking at.

Stockton: That is kind of why I split this out (inaudible).

Pipal: Well it is a lot easier to read and a lot easier to understand.

De Weerd: In our previous contract I thought that fell under the administrator's expense and so I wasn't aware now that it was being billed out. So if we can just come back with clarification on that.

Pipal: Verify that as well.

De Weerd: And just as we look at professional services, the software maintenance and licensing – isn't that an operational expense, not a professional service?

Stockton: That is how it was set up and inherited. I can move that account.

De Weerd: Yeah that was a net.

Pipal: Okay anything else under professional services?

Escobar: We have \$30,000 in marketing and I see that in the last few years we haven't spent those dollars – what is this in relation to or be reallocated to something else – for public education and marketing.

Ford: That is the PR contract.

Escobar: The PR contract?

Ford: Well we have spent \$18,000 to date so far –

Bird: That is what?

Ford: I believe that is the PR contract.

Bird: Well we will take that and look at that too.

Pipal: Member Escobar I think that might have been volunteering to help Member Bird and I look at the contracts.

Bird: All of sudden the contracts under one roof have come in under five roofs.

Pipal: I am not above conscription.

Escobar: (Inaudible) \$66,000 budgeted and spent \$34,000 (inaudible).

Pipal: We did make a conscious decision to cut that expenditure, cut that budget item over there based on actually what we had spent.

Stockton: (Inaudible).

De Weerd: As the small subcommittee meets you will look at what those contracts covered and see if they are still relevant; I think that would be appropriate as well.

Pipal: Will do. Anything else under professional services? Ashley if you could help us with the operational expenses – some of these things they are just what we pay to do our business daily – if you want to run through those with a very brief explanation and Members I will try and keep my eyes open if you have a question.

Ford: I will do my best, but some of these we have not engaged in since I have been project manager so –

De Weerd: Okay, well good then they should go away.

Ford: I am sorry what was that?

De Weerd: If you haven't been managing or spending it then they seem to be not relevant anymore.

Stockton: (Inaudible) was the Ground Floor.

De Weerd: It was adjusted down because we only have a couple of months' rent into the next budget session right?

Pipal: So the number that we will get on that one will reflect the – Ashley?

Stockton: (Inaudible). I am not sure what this –

Ford: Legally this number came in assuming worst case scenario that we had to stay at the Ground Floor to the end of the year – so we had put in some dollars for (inaudible) in the essence that we would amend at the end of October.

Pipal: Okay, I am confused because it says budget total and then actual – but it should only go through September 30th –

Ford: October 30th.

Pipal: No, but for this budget the number should only go through September 30th and then we need to on this line item for worst scenario the number should be –

Ford: We went in and already adjusted that number on this spreadsheet.

Stockton: So the last payment on the contract was already –

Pipal: Okay, I am clear now.

Bird: Why would we have \$19,000 under marketing?

Ford: That was for the website –

Bird: The website is \$2,000 –

Ford: It was under \$5,000.

Bird: How much?

Ford: It was \$5,000 for what we did for integration. I am not sure (inaudible) or what other expenses went towards that.

Bird: Ashley being really technology stupid, tell me if we spent \$55,000 how many years is it going to take to recoup \$5,000 of that?

Ford: I also believe this is for, potentially and I might have to ask Gwen because I am not sure exactly how contracts – this may be part of the unwired city as well too and the hosting on that.

Bird: In these days and these economic times, I don't know why we are throwing that kind of money at a website. I don't know, I guess, like I said being technology stupid –

Pipal: Well whatever we have been doing we have made the decision as a Board, so if we don't want to be doing that then I would encourage the rest of the Board to look at that and say do we want to continue to invest in some of the –

Bird: This isn't our website. This is the website for the Ground Floor. It is under the Ground Floor. Am I not right, Ashley?

Ford: I am not clear – everything is so –

Bird: This is something that Gwen put in right?

Ford: I am sorry, what?

Bird: This is something that Gwen presented?

Stockton: I am guessing it is also the TW Telecom contract (inaudible).

Ford: So part of it is juggled with unwired city and the network company contract that we have and the TW contract and it is all sort of jumbled together.

Pipal: So we are estimating that in 2012 we are going to spend approximately \$9,000 for the Ground Floor website; \$19,000 in contracts for the Telecom?

Ford: I think this is based on last year's numbers too.

Pipal: Well FY2011 actual to date is only \$3,000 so I don't know where the –

Ford: I am not sure where the numbers came from.

Pipal: What I would ask the Board is what are the priorities?

Basalone: On this point though when we were discussing the Ground Floor movement to the Cascade building, one of the things that we talked about was a telephone contract that was something that we couldn't get out of, that we had to maintain and is that part of this electronic expense because I don't see that contract anywhere in here?

Ford: Because of former discussion that formal decision has not been made and so we have not made any adjustments to those.

Basalone: But what I am asking Ashley is where is that current contract expense that is a pretty hefty expense as I recall. I don't remember the exact figure, maybe Eric might because we talked about it extensively, but it was a contract that we couldn't get out of and that we had to maintain for another year.

Bird: I think it is in that 89 isn't it?

Lipschultz: My guess is it is in utilities.

Ford: We believe it is in utilities per Teri.

Bird: It is under utilities?

Ford: Utilities because year to date we have spent \$18,000 -- \$1,400 a month --

Jensen: It looks like it is just not categorized properly.

Bird: But it wouldn't be under utilities would it?

Jensen: Or the heading isn't proper.

Pipal: Teri do you have a listing that has gone into that \$29,900? While she is looking that up Ashley can you tell me -- well just to recap the building rent leases is anticipated to not get out of the Ground Floor building by October 30th? That would cover us for two months. What is the \$240 office expense?

Ford: I believe that is miscellaneous keys and paper, copy machine and stuff like that.

Pipal: So it is supplies.

De Weerd: It looks like we are far exceed the amount budgeted and they are at (inaudible) right now, so that is quite a gap.

Pipal: Let's see if we can get -- that is still three months to go -- let's see if we can get a monthly average the same thing for the Ground Floor and multiply it be 12 for an estimated -- if you come up with any additional information. Is everyone okay with that? So breaking it out monthly and we still have three months to go and just looking at and budgeting it based on what our monthly expenses are.

De Weerd: On office expense I would like to know more about why there is such a gap there and that is discretionary that we should be living within our budget and if we can't at least talk about the variance and why it would need to be changed.

Bird: You would have to have a budget amendment Tammy.

Stockton: An 11.5 actual expense in office includes business cards (inaudible), printing and services (inaudible) from Red Sky (inaudible) deposit tickets for the new bank account, name plates and Ground Floor banner.

De Weerd: So it sounds like some things are in different categories. We have printing, we have meeting expense, we have banner expense –

Stockton: Part of that (inaudible) otherwise miscellaneous and the Ground Floor banner (inaudible).

Pipal: Teri you and I can talk about this afterwards and get you out of having to make those decisions because we should know where they are coming from.

Basalone: Going back to the utilities the Ground Floor (inaudible) 52 32 is the projected total for this coming year – the expense this year was \$18,139, if that is under a contract why aren't we putting the contract amount in even if it is the \$18,000? What is the real figure here and then secondly going back to that electronic expense, website design and so forth, if actual to date we have only spent just the opposite, we have only spent \$3,000 of whatever was budgeted, why the great increase for this year? I don't know whether, like we said before, what those amounts refer to specifically, it is very confusing.

Pipal: Teri in this spreadsheet that you have set up, do you have the ability to go in with another layer and list some of these things specifically for us.

Stockton: Yes.

Pipal: It looks like we have the rolled up version and I think we need more.

Stockton: (Inaudible).

Pipal: We won't have that problem going forward in the next year.

Bird: I think if you look at the building rent and lease, I am not too sure if that telephone part wouldn't be shoved in that because of \$24,525 and if we are paying \$1,400 a month –

Ford: Our lease is \$2,700 a month.

Bird: Our lease is \$2,700?

Ford: Yes, sir.

De Weerd: Well if you look at the financial here it has a separate line for telephone and for utilities.

Bird: Telephone shouldn't be utilities.

De Weerd: Well you are right, but it is not listed on here.

Stockton: I can clarify a little bit; the electronic expense is including network operations (inaudible) bills, destination downtown, Telecom – (inaudible), web maintenance and stuff like that and so the TW telephone (inaudible).

Pipal: Are we anticipating that we are going to continue with that?

(Inaudible)

Basalone: What we are showing is a contract amount for that?

Stockton: About \$1,150 a month now.

Pipal: That was the last number that I saw.

Escobar: TW telephone contract – Ground Floor internet and that is what linked the unwired city is off of and all about.

De Weerd: I guess as we get through the rest of this, I think we are going to have a special meeting. You have to have permanent – we have to be able to pass a specific draft to go to a public hearing and following any of this is kind of difficult at best. So if we can get just through these, make sure at the end where we say where we want those additional details, where we should have obligations and those kinds of things folded into it, so we know what these numbers actually mean. That would be helpful and it looks like – I know our legal counsel is looking at publishing dates, but we should have a special meeting by no later than what date?

Borton: You have to publish twice seven days apart and fit it in your August 10th meeting– approve it on the 10th, publish it twice seven days apart and hold the hearing on the 24th.

Pipal: So we wouldn't approve it today, we could have a special meeting and approve it and publish it by the 10th?

Bird: You could publish on the 15th and the 22nd and our meeting would be on the 24th.

Ford: The problem with that is I have deadlines for the paper in advance so that we would have to get it at least a week in advance – so that unfortunately wouldn't work. I require (inaudible) Valley Times Tuesday at noon (inaudible). That is why I was pushing the last go around for those resolutions.

Borton: I guess (inaudible) on either end because you have got a special meeting on August 3rd for that additional time and or you have a special meeting August 31st (inaudible).

Pipal: What is the preference of the Board to do it on the front end?

Bird: I would say do it on the front end in case something happens. You get pushed to the back end and something comes up then you are really pushed and you have got Labor Day sitting in there too. So if it doesn't happen then you are in trouble. I would rather see it done at the front end of the time and then we can sit back and relax.

Pipal: What are folk's availability?

Pipal: If we do it on the front end it is the 3rd, if we do it on the back end, we do it on the 31st. My only concern about the 3rd is being able to get all of the details together in a week because what we also need to have on each of these items in addition to rolling it out a little bit more; what goes into them is the variance. The Board needs to know if the variance is up or down. But I guess we are not limited to Wednesday's are we? If we did it next week – any time next week we push it to, I am going to say it but nobody throw anything at me, but Friday?

Ford: Friday the 5th?

Bird: The salmon BBQ but we can do it early.

De Weerd: Can we do it at 7:30 and then I can do it?

Bird: Okay, the 5th at 7:30?

Pipal: The 5th at 7:30 special meeting.

De Weerd: You know how difficult that was for me to offer at 7:30?

Bird: I about fell out of my chair when you said 7:30, I thought you meant 7:30 at night? That is when your age group comes alive isn't it?

De Weerd: Yeah.

Pipal: That is more like 10:00 p.m. at night that her age group comes alive.

Bird: He probably has gotten an email from me at midnight.

Pipal: Okay with that in mind, knowing we have to do that, what I would – there are just a lot of questions that we don't have answered. Do we want to continue to go through the operational expenses or do we really want to look at priorities – when we have a total dollar amount we can get a sense of what we are going to go forward and how much.

Bird: You have to get your obligations first. Then after you are done with your obligations –

Pipal: Well my thought is if we know what – if we come into that meeting on the 5th the obligations will be done and we will have had a chance to discuss our priorities and we simply start shaving stuff off that we can't get spent, but we know where additionally we did have additional dollars and we came in on budget, we could push more money into our priorities –

Bird: There are a lot of things listed that we probably don't even need put into the budget. If they aren't being used then I don't know why they would even be in there.

Pipal: So we are on seminars if we want to continue to go through the operational expenses.

Escobar: Are we going to have a line item for telephone costs – we requested to have a line item for telephone costs and now we are confused as to where this is even allocated right now.

Pipal: I think what we need to ask Teri to do is say okay where it is allocated is to have another row underneath some of these – I forget what it is called.

Ford: I have asked her to do that.

Pipal: We have a rolled up budget here that could actually go in one more and – like the things just listed under electronics expense and it would have specific contact and items listed. That will give Teri a chance to find some of those things that she got – in trying to get some consistency here that got shoved under some other things. We will pull those out.

Basalone: I think we need to be as specific as possible in terms of all of our obligatory expenses. If, for instance, Ground Floor has a lot of obligatory expenses I think they need to be broken out. The things that we are doing that are discretionary tree planting or whatever they

can be pretty general, but those obligatory ones, I think they need almost like an accounting for each dollar spent – if that is possible?

Stockton: That is kind of why I decided to split it out this way so you guys could get a better future of your budget and what you spent –

Basalone: Yeah, but it is kind of duplicated. You have the same types of things here, for instance, partnerships there and then partnerships here, which kind of duplicate the same things, where as these expenses here maybe should be more itemized in one place or the other, more itemization. Does that make sense?

Stockton: In order to show them all (inaudible) –

Basalone: Well I would rather go to two pages and three if necessary – well, what I am saying is the obligation expenses need to be itemized very carefully. The others, that is our dream.

Pipal: Well and part of where we are coming from is what we had before. I do appreciate that you tried to get it into something that we can look at and we will roll it out and get in more details. I am not worried about multiple pages either and I don't think Teri really is either.

Ford: Back to training?

Pipal: Back to seminars.

Ford: Seminar travel expenses the best I can tell is for the Chairman of the Board and the Project Manager (inaudible) going to the Leadership conference to McCall with the Chamber – those are the costs for that. There were, historically, in previous budgets larger accounts attributed to that that were never utilized. I think last year there was like \$5,000 for each in there which seemed absolutely ridiculous, so knowing what those costs were we reduced the budget numbers to \$1,000 a piece, which I still think is a little high, but just in case there is something else that pops up –

Pipal: That is essentially the same thing, those expenses – those two seminars and travel expenses are essentially the same event?

Ford: Yes. We have them separate just in case something else was to come up for the Board travel/training wise. I am not sure exactly why those were broken out separately over the years, but we just kept (inaudible). Questions or do you want me to keep going?

Pipal: Well I am trying to decide if we want to –

Ford: Call it Leadership conference –

Pipal: Yeah, if that is what we do with it then that is what we should call it and have it be the same name. If we want to do something special we can ask the Board to approve it, but if we do that – and let's try to get it closer to actual.

Ford: Okay. We do have a cost for that.

Pipal: The same with postage and mailing, if we could get that to the actual?

Ford: Okay and keep in mind this is only nine months, so probably could bump it up a bit. I am sure.

Pipal: Now I know that meeting expense – we don't know what it is because I know that our printing costs, those are things that we actually incur for our meetings and if we have a category meeting expense, then let's list out what we include.

Escobar: Was that our (inaudible) one time that was provided by the previous administrator?

Bird: No, that was all part of his – we didn't pay that – meeting expenses is if you have to rent a room or something, in which before we had this we probably did and it has just been something that has been carried on and carried on.

Stockton: (Inaudible) right now is Chamber luncheons that Gwen goes to – \$12 each.

Pipal: Didn't know we approved that. Okay, that is something that we should look at is just what collectively is included in those contracts – (inaudible) ask people to do over and above that there are no outside expenses. Are you with me Member Bird? No more outside expenses – it is either included in the contract so that we don't have little tidbits coming out there for stuff we didn't approve. It is either part of the contract and we ask them to do it or – we can't nickel and dime it.

Bird: You have got my approval on that.

Pipal: Okay. Training, Ashley?

Ford: That was one of my questions I have. I have absolutely no idea what that is.

Pipal: And we didn't spend any of it. So let's look at what we do at the Chamber thing, finish it and go away. Legal notices and publications – I don't have any problem with leaving that at \$2,000 just because we need to make sure we communicate our work.

Ford: That is why – we do everything we have to, to legally put it out there.

Pipal: And printing those are our packets?

Ford: Yes, the packets. I don't know of anything from the Ground Floor that –

Stockton: Yes.

Ford: Does it, yes? Okay.

Bird: Is ICRMP going to stay the same?

Ford: Yes, that is the current number.

Pipal: What is the dues and subscriptions?

Stockton: I would have to look it up.

Bird: What did we join?

De Weerd: That is another one that we can just get more detail.

Stockton: Meridian Chamber (inaudible) and the Sage Community Resources – membership dues.

Pipal: If those are membership dues we also have what we pay to VRT.

Bird: No that is another item.

Pipal: That is another line item – below – well if we have dues and subscriptions we would want to categorize those just the same.

Stockton: But in the previous budget it was called the partnerships (inaudible).

Bird: Teri who do we make the check out to?

Stockton: VRT.

Bird: Then it should be a separate – it should be included in the city.

De Weerd: It is. It is right there.

Pipal: Do we want to have all dues and memberships called out individually?

Ford: Probably should if we are going to be consistent with everything.

Bird: Your dues and subscriptions is different, but your partnerships are different than dues and subscriptions and VRT is a partnership, but you have got it listed right here.

Pipal: I just wanted to make sure for Teri that we are clear on that. Again the miscellaneous expense – we won't have any more miscellaneous.

Bird: That is the largest expense, miscellaneous, I can't believe it.

Escobar: Should we make sure that the \$460 that we have spent so far this year is allocated into some of our new – or existing categories? I think that would be a task for accounting.

Pipal: Yeah.

Stockton: It looks like it was Minute Man, the keys for the Ground Floor, lock and installation for the Ground Floor. HVAC cleaning diagnostic –

Pipal: I think that Member Pike, she didn't say loud enough, but I did hear her that the Ground Floor needs its own line item.

Bird: And you can do that by numbers like 1100 02 05 and that is all the Ground Floor and different categories. I like the number system.

Escobar: Not to miss that we – I don't see where we have any anticipated remodel expenses allocated in our budget. I see that we did assume that we were moving out of the building, but we haven't listed any costs associated with the remodeling.

Ford: That was part of the discussion that we would have as well as we have to make those decisions on how far we are going to go (inaudible) CZC approved, but beyond that as a Board have not made that decision on what the next step is.

Pipal: Ashley based on that and based on what the committee told you, can you bring a recommendation forward?

De Weerd: Well plug in the numbers, we have to have –

Pipal: I know, but we have got to have – when we sat down and talked about the building and what to do there were certain things that we said we wanted to do minimally. Let's go back and review those notes and bring a recommendation forward on how much we would want to do so that we can make a decision based on that number.

Ford: I will rely on my subcommittee as well to get that recommendation – need some pretty strong (inaudible).

Basalone: Can we go back to insurance here for just a minute. The projected budget is \$2,508 and \$750 to which is to cover the Ground Floor – going back to Commissioner Pike's suggestion about separate line items and an area for that. But the other \$1,758 is that insurance covering our expenses on the new construction? Is it insurance on us as Commissioners? What exactly is the rest of the insurance and where should it go?

Borton: Your Board's policy through ICRMP, has a cover what we presume it would be inclusive of your offsets general liability and would not be (inaudible) toward the new construction coverage – I don't specifically recall (inaudible) separate amount for the Ground Floor coverage –

Basalone: It is carving out \$750 for that, but the other \$1,700, but of course this goes back to the original concern about the way the budget is setup. It is listed as an expense under general funds, so it really doesn't tell us if it is under (inaudible), marketing, partnerships, website, you know – the place that it is put.

Stockton: That is the (inaudible) liability insurance (inaudible) -- \$1,750 is the number (inaudible) us specifying the Ground Floor but the number that we spent this year current for the Ground Floor – (inaudible).

Lipschultz: I think there is property coverage as well and also have a general liability coverage for MDC in case there is any litigation against MDC for something – in terms of the VRT COMPASS project, all of that insurance by contract is covered by the general contractor until we close on the deal or turn it over –

Basalone: But Larry these two buildings we own over here, we have property insurance.

Bird: (Inaudible) have got right here.

Pipal: Grant writer services.

Ford: No idea what that was and that was one of our questions.

Pipal: We have grant revenue.

Stockton: The expenditure that was in there is the Sage Community Resources – but it has been under grant writing so that is where I put it, but (inaudible).

De Weerd: Nothing.

Bird: Did we spend \$252?

De Weerd: I don't know. They spent nothing. That one is easy. Zero.

Pipal: I have no idea what we got for that. We have nothing in the flag banner expense. Was that intended to be part of our way finding and signage or is that a partnership with the city?

De Weerd: The MDC has provided the downtown banners in the past and so that expense they committed to at one time.

Pipal: So it is a carry over. We haven't asked to do that. Is it something that we were supposed to be managing?

Bird: It was a one time item.

De Weerd: It was – do you want decorative banners downtown? It is what the Board would like to do.

Pipal: That would seem like that would be in a capital expense.

Escobar: Bottom line item on – (inaudible) that item.

Pipal: We will get rid of that here. That master plan meeting expense we really haven't had any.

Ford: It was my recommendation that –

De Weerd: I guess, I am sorry I had stepped out during the meeting expense – on this April financial statement it had a public meeting expense of \$900 and a meeting expense of \$532. I am sure there are certain expenses too holding meetings and I strongly encourage we continue to do that with the downtown, so there will be some kind of a meeting expense to meet those two different line items that are verified on this financial are not necessarily covered in this, but now that the destination downtown is over, certainly the expenditures shouldn't be as great.

Pipal: In the branding scope, those expenses are included in the scope of work. They are included with what the proposal has. Those expenses were not – they were a part of that contract and not separate for us and I think when you did step out we did have a little discussion about making sure that things included in the contract are included in the contract and if they are not then we need to have either a separate item for them, but not have things just pop up. Like costs for lunches or meetings are not part of the line item. So we can keep a line item for meeting expenses, but let's make them all public meetings for the purposes of MDC – for us to do our business and not as a separate – we would actually direct someone to do that and put the expense in there. Does that set aside your concern to make sure that we don't lose that?

De Weerd: Well I think a meeting expense for a board member or a staff member – if you have that verses public meeting expense are two different things and probably should be tracked differently. Just again, it is probably a different layer that is being lumped into one.

Lipschultz: I think to that point it probably does make sense to allocate some budget this next year for public meetings in terms of if we move the Ground Floor, we do some kind of a small open house or some kind of a developers walk around – you know there are things that we are going to want to do. It will be a couple hundred of dollars expense associated with each one. I think you have \$1,000 for public meetings budgeted – we will still approve each of these events, but to have them budgeted probably makes good sense.

Pipal: I wasn't aware that we submitted expenses as board members.

Bird: For what?

Pipal: Attending or doing those types of networking kinds of things.

De Weerd: I don't know if my philosophy on that – if I absorb the costs that is my choice, but when you ask volunteers to serve on a board and then you also say by the way we want you to go to this luncheon and this luncheon and it is at your expense that should be a choice that that board member makes, if they want to absorb the costs or if they want to ask for reimbursement. That is just my own personal opinion.

Bird: I agree to the point that if it is something that we would like them to go to and request that they go to then I think we should pay for their meal. I guess if you want to keep your gas mileage we will pay for that too. But if it isn't beneficial to MDC and they want to go then I think they are on their own. But if we requested to go and you know, it is something that they should have their expenses paid for. I agree with Tammy that we ask them to serve on a board for free – it is only right that if we ask them to go to dinner that we flip the bill. You can't run \$500 a year at the most –

Pipal: Probably want to make sure we are clear on that. I am not sure that the policy – I have not seen the policy that we have.

Borton: (Inaudible).

Pipal: General agreement?

Bird: I think it is fair.

Pipal: Okay, downtown parking. We have an estimated \$15,000. Is that for the – do we contribute that for enforcement?

De Weerd: That would be cool.

Ford: (Inaudible).

De Weerd: I think it was the resurfacing of the (inaudible) parking lot that has just been a carry over, but I couldn't say that for sure.

Bird: That was only \$2,000 or \$3,000.

De Weerd: I don't know what –

Ford: Nothing has been paid.

De Weerd: Last year.

Ford: It was (inaudible) \$15,000.

Bird: We bought that oversized golf cart.

Ford: Did MDC pay for that?

Bird: Yeah, we paid for that.

Pipal: That is a carry over. I don't see any downtown parking.

De Weerd: Or was that potential rent when we were talking about renting a lot for public parking?

Lipschultz: I wonder if that – it may have gone back to a parking study or something – I think we probably do need to look at the obligations that we are going to have under the parking agreement with VRT and COMPASS for the parking lot. I think we share – (inaudible) expected to be minimal but we are going to need to budget a couple of thousand dollars here just to have that in case something needs to be done.

De Weerd: Well we have the Mason Lodge.

Ford: I was going to speak about this at the regular meeting, but one of the things that we have to do in order to get our temporary occupancy for the COMPASS VRT building is provide offsite parking spaces because the parking (inaudible) prior to the building parking being ready for occupancy. In order for me to meet the parking requirements and (inaudible) are going to do that right now. I had a meeting yesterday with the Masonic Lodge representatives; we are going to have to be able to stripe some additional spaces on the parking ground that aren't currently striped. People are still parking there (inaudible) portion by the alley, so they need dollars to do that as well.

Bird: That is covered under construction. That doesn't have anything to do with the normal maintenance of parking and stuff. This is to get an occupancy for the building that we are the general contractors on.

Ford: That wasn't included in the construction loan –

Bird: I realize that.

Ford: So however we want to attack it –

Pipal: Well it would be a one time expenditure.

De Weerd: No I think that is an ongoing operational expense where you need striping and perhaps fixing potholes.

Ford: Well (inaudible) for the ongoing maintenance.

Bird: You are going to have more of that now that you have got –

De Weerd: Sweeping and snow removal.

Pipal: I did make a note to have a maintenance, but I would see that as if it wasn't included in the construction with the COMPASS VRT building that that would be whatever it is going to cost us to get it done.

Bird: One time shot there.

Pipal: On to the partnerships.

De Weerd: So did we decide on a number for that?

Pipal: I thought the recommendation was \$2,000. Did I hear that correct?

Ford: A couple thousand.

Pipal: Yeah, I put \$2,000 down.

Lipschultz: (Inaudible)

Ford: Anywhere from \$10,000 to \$12,000 –

De Weerd: Because you will have sweeping and maybe snow removal. You can't always count on the city doing that for you. Just saying.

Pipal: We have a contract don't we or we have had in the past?

Ford: We have in the past. My files are a little fuzzy. I have a lot of bids but I have not found anything (inaudible).

Pipal: Get a number of what the bids were. Probably want to make sure. Okay. We are allocated – those numbers are carried forward from last year. We only spent money on the Meridian Urban Market and VRT.

De Weerd: What is the owner participation agreement? Do you know what the owner participation agreement is?

Borton: My guess would be the Bank of the Cascades final payment which might have been paid off as part of the financing with VRT. From there – streetscape.

Pipal: So that is zero. We don't have anything.

Borton: We know it is paid off.

Lipschultz: It was a separate transaction – (inaudible) final payment and assistance (inaudible) Bank of Cascades.

Pipal: Didn't we offer some assistance to the symphony, some matching funds?

Jensen: Concerts on Broadway.

Pipal: Didn't we offer them some seed money?

Jensen: Yeah.

Bird: The Arts Commission?

Pipal: Was it the Arts Commission? They aren't showing any expenditures. Well it is possible – we offered the money – if they needed seed money – they didn't ever ask for it because maybe they raised money elsewhere.

Bird: Yeah, they went out and raised their money.

De Weerd: I am sure if they still need it –

Pipal: Well I think that that is one of those that we make available and make sure that we have something listed that we are able to do that – to provide seed money in the matching way to help our partners in the city or with the Chamber. Just to make sure, for example, Concerts on Broadway that insured that they were able to go forward with their programming plans, they knew they had the cash if necessary. I remember that David Stolhand came and asked for the funds. Am I forgetting that – was that two years ago?

Bird: That was two years ago.

Pipal: Okay. It all starts to run together.

Bird: The first year we did (inaudible).

Basalone: Would that be under partnerships (inaudible)?

De Weerd: Yes.

Basalone: What you are describing, the seed money and that kind of thing?

Pipal: I think so.

De Weerd: Yeah because that was made available to the DBA at the time as well; once they went debunked, there were several businesses that continued to do a playing in the plaza and this was also offered to those that you have just this much and people who might need could come and request as long as they were matching them as well.

Pipal: So we don't have any expenditures this year on the wireless network. Excuse me on public art, wireless network we did on the farmer's market. Do we want to continue to keep ourselves open to those partnerships, bringing those dollar values forward?

Bird: I think those are question marks that we put the question by and see how our revenue and expenditures are coming and if something come up and if you have the money do it, if not we don't do it. That would be my suggestion. Not a necessity, but yet would be nice.

De Weerd: I guess I would ask either Keith or Larry as you have been here the longest I think – is the \$10,000 did that have to do with phase 2 of the split corridor and that entry where the split started to happen and Main Street and that there was going to be a piece of public art there? Do you recall?

Bird: I don't know if that \$10,000 was that Tammy, but I do recall that there was going to be some art there. But I don't know if that \$10,000 was for that.

Jensen: If I remember quickly, last year when we were doing the budget there was a line item for like 50 I think for public art for the split corridor and then we decided to pull it out based on the fact that it wasn't going to be used until – the split corridor wasn't going to happen until later. I think the 10 was for Concerts on Broadway, if I remember correctly.

Bird: Did we put 10 in for the Concerts on Broadway?

De Weerd: Boy that was generous.

Pipal: We were agreeing to 5 and it was 10 total. I think that is what it was.

De Weerd: I would suggest that the project coordinator contact the Arts Commission and see if the split corridor phase 2 is for 2013, but if there is some prep or call to artists type of activities that need to go into this budget year, what kind of obligation they are looking for. I do know the MDC board has talked to them about sponsoring that public art at that particular area -- when we budgeted it certainly is going to be when it is installed, but there may be some upfront costs associated with that they may need.

Jensen: Wasn't some of the conversation also that – well ACHD came and talked to us about it and it was going to be that they were just going to pave that and that was just going to be asphalt or if we are going to contribute they can daylight the water feature going through there and those sorts of things? I don't know.

Ford: Well we did costs to at least get the water to the stub so (inaudible) do something further than that I believe we can.

Pipal: We will confirm the timing as Member De Weerd requested. Or, I shouldn't say we, Ashley will confirm the timing.

Basalone: I was going to suggest that you have a public art partnership line item; you really don't need an Arts Commission split corridor potential budget area – that could be updated. Under partnerships, Arts Commission, split corridor parcel which it was referring to the phase 2 request I believe.

Ford: Actually that was separate (inaudible).

Pipal: Sanitary services is based on annual verses a to date amount and grounds maintenance –

Borton: Madame Chair, just to back up real quick on the partnerships farmers market – I don't know where you were with that – as I recall the (inaudible) is contemplated (inaudible) seed launching and wouldn't be an ongoing funding budget.

Pipal: You are correct.

Ford: However I would suspect that Courtney would (inaudible) sponsorship with MDC so I don't know if the Board wants to consider in putting dollars aside (inaudible).

De Weerd: If we have the events matching grant, she would be welcome to submit just like any other event.

Pipal: And we will be looking at those dollars based on our numbers. Grounds maintenance –

Ford: Basically maintenance for the bank buildings (inaudible).

Pipal: So that \$700 will be for –

Ford: The Bank of the Cascades (inaudible) and across the street parking–

Pipal: I am sorry I got distracted, the Washington Federal building?

Ford: I think these are just numbers that we carried forward in previous budgets.

Pipal: It shows we only spent \$1,400.

Stockton: The contracts for \$125 a month is only one of the buildings (inaudible).

Pipal: Okay.

Bird: On maintenance aren't we going to have some maintenance over at the VRT COMPASS building too Ashley? Maintenance on the parking grounds and stuff there too?

Ford: I think that is what we were talking about in that earlier line item –

Lipschultz: Yeah, we are responsible (inaudible) \$2,000.

Escobar: If we do move the Ground Floor over to the other building we will probably be running maintenance there (inaudible) in operation; do we would want to budget for that on this line item?

De Weerd: If we split it out like it has been suggested, no.

Bird: That should be included in the Ground Floor.

De Weerd: But expenses should be allocated to that.

Bird: Yes, but it should be under (inaudible) line item for the Ground Floor.

Pipal: Debt service copier lease –

Stockton: That is \$212.80 a month (inaudible).

Pipal: Then what happens to it after that? We have to enter into a new agreement?

Bird: That is going to be an ongoing one there. You are going to have to have one at the new one regardless.

Pipal: It is going to need to be under the Ground Floor budget. Okay. We just have a few minutes left I guess to get whatever kind of feedback we can so that when there is something for you at the special meeting next week on the priorities for capital expenditures that we plan to do this coming year.

De Weerd: I have a question on capital expenditures and if I missed it, I apologize, but under the façade improvement program, are those CDBG dollars?

Ford: Part of it was, part of it was matching dollars (inaudible), so we are assuming we get \$40,000 from CDBG.

De Weerd: Okay, we want to add that in the revenue above.

Ford: Hopefully I will know early next month (inaudible) for that number.

Basalone: With all of the adding and subtracting that we are doing, one of the things that we did indicate we wanted to have was that 8 percent reserve. So we need to have a line item for that and hopefully what we didn't subtract and so forth from these areas and line items will contribute to that and put into that \$72,000 or whatever it is. If not, then some of this discretionary down here might have to go into reserves to fill that up.

Ford: Some of the items that I have outlined to you in here were things that were not put into the budget; do we want to discuss those any way (inaudible) special priorities first?

Pipal: Well I think we probably better look at some of the things that we already have on here that we have already committed to first. There is already an expectation that we have façade improvement program; that we participate in the tree replacement, but you have that on here as well and the way finding and signage. Obviously we need to have some kind of a recommendation from the bank subcommittee on what the remodel should look like and how much should be done.

Basalone: A thought just occurred to me. I was looking at sidewalk improvements. The sidewalks that are being put in around the new building with the street lighting and so forth that is going in, is that coming out of sidewalk improvements or is that part of the construction building?

Pipal: It is construction.

Basalone: So we still have that \$200,000 sidewalk improvements.

De Weerd: Well and just for a point of reference the money set aside was generally planned for a block improvement, so eventually we would have our streetscape improvements in the downtown core. We kind of got away from that when the commitment went to the Church of the Harvest and then they didn't use it, but we should look at not only making good on that commitment, but also looking at the next block that we want to improve. I think that is important.

Basalone: I think that is part of this ability that we are talking about stretching it.

Pipal: The Main Street banner arms, I am not sure – it really hasn't come up and it probably would be part of the way finding and signage. We would want the whole look and feel for the downtown area. We wouldn't want to do something separate. Wouldn't that be part of – if we were going to do that, wouldn't that be part of the same --?

Escobar: I think the Main Street banner arms are somewhat seasonal and not so much connected to the long term, so I think having it at a separate line item (inaudible).

De Weerd: The city has committed to putting them up and taking them down and rotating them out because there is a definite cost to that. But, as far as buying the banners that is MDC's.

Pipal: Now the arms, just as a follow up question – are they already located in all of the places that make sense or would we be purchasing additional arms?

De Weerd: I think it was just mainly banners and if arms needed to be replaced that would cover that as well.

Pipal: Okay.

Basalone: I recall from looking at the website that there were prior discussions and plans for pathways throughout the area and whether that comes under sidewalks and improvements or signage or something, it seemed like it was an initiative that had started but just never went anywhere. So I would like to raise that to be discussed as a part of the overall plan.

Escobar: I think that what happened with the pathways was the Parks Department was so involved in creating the plans and the process for (inaudible) – so as the subcommittee was being developed and talking about it, we ended up releasing that back over to the Parks Department because they had already had so much progress with it. Whether we have dollars associating to helping with some of those (inaudible) together is a different story – as far as (inaudible).

Pipal: What the mobility said before we combined them is that they wanted to provide, if possible, funding for some of the connections, if there was a need for a piece that was missing in order to complete a major part of the network that they would want to be able for MDC if it was in the urban renewal district to be able to contribute to the pathways.

Basalone: I didn't see it as us providing the pathways necessarily, but the communication and the hub for the pathways that you are describing where you would have, for instance, highlighted maps downtown that show how you would hop onto the pathway or get to a pathway or what was planned in terms of additional pathways, but somehow to connect the city center with the outlined areas.

De Weerd: I think that is a great focus for the upcoming year and doing kind of that gap analysis and looking at what the priorities would be for MDC and seeing where funding might be available through CDBG, for the next funding year and make recommendations as to some of those dollars.

Basalone: Yeah and stay connected with Parks and Recreation to work with them on it and not just hand it off to them because their focus might be different from our focus in terms of how we can help.

De Weerd: Their focus is city wide.

Pipal: What I would like to do is to be able to send out a survey between now and our next meeting on these capital expenditures and just keep it mind how to focus on some of these and I will make sure that they are articulated in adding these others in and just get some feedback from all of you before we come to that meeting on the 5th and what those priorities are. If everyone is comfortable with me dealing with it that way?

De Weerd: Perfect.

Escobar: Before you close it up and as you send out that survey, what is 3D model and why do we have \$10,000 sitting there? Why haven't we spent it on what we were supposed to be spending it on?

De Weerd: I put a zero next to mine.

Bird: I did too.

Pipal: Initially we had plans to do some additional modeling for downtown Meridian, but when Meadowlake kind of took over and created the model and we didn't have any specific need for it (inaudible).

De Weerd: Really what it was, was the setup, the capability, so if a project was being proposed you could do a 3D model and set it into that area, so people could envision it, you have got greater public buy-in because they could see what was being proposed. It was just an economic development tool, I think. As I recall.

Pipal: I liked the way she corrected me – "but what it really was". Okay if everyone still has enough energy and don't need to get away too quickly what we will do is adjourn here and take a five minute break and come back and reconvene.

5. Executive Session per Idaho State Code 67-2345:

6. Adjourn the Meeting (Pipal):

Can I have a motion for adjournment?

De Weerd: So moved.

Jensen: Second.

Pipal: A motion and a second. All those in favor. Opposed.

ALL AYES. MOTION CARRIED.

(AUDIO ON FILE OF THESE PROCEEDINGS)

APPROVED:

JULIE PIPAL, CHAIR

DATE

____/____/____