

**MINUTES**  
**MEETING OF THE BOARD OF COMMISSIONERS**  
**Wednesday, September 14, 2011, 7:30 a.m.**  
**Meridian City Hall Conference Room**  
**33 East Broadway Avenue - Meridian, Idaho**

**1. Call Meeting to Order (Pipal):**

Meeting called to order at 7:32 p.m.

**2. Roll-call Attendance (Pipal):**

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

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

Joe Borton – Counsel  
 Ashley Ford – Project Manager

**3. Confirm Agenda (Pipal):**

Pipal: I would entertain a motion to confirm the agenda.

Bird: I move that we confirm the agenda as published.

Slocum: Second.

Pipal: All in favor? Any opposed?

ALL AYES. MOTION CARRIED.

**4. Approve Consent Agenda (Pipal):**

- a. Approve Minutes of August 24, 2011 Regular Meeting:**
- b. Accept Treasurer's Report and Notice of Bills Paid:**
- c. Accent Public Relation's Report**
- d. Accept Project Manager's Report**

Bird: I move we approve the consent agenda as published.

Slocum: Second.

Roll Call Vote: Slocum, aye; Jensen, absent; Bird, aye; Escobar, aye; De Weerd, aye; Basalone, aye; Pike, aye; Pipal; aye.

ALL AYES. MOTION CARRIED.

## **ACTION ITEMS**

### **5. Masonic Temple Agreement**

Borton: As part of the COMPASS and VRT project, we discussed the renewal of the public parking lease agreement of the Masonic Temple. (Inaudible) and their group to bring back – we heard most recently, last Saturday where we come up with (inaudible) short term, six month lease and at the end of it to provide the alternative compliance necessary (inaudible) on its existing parking lot. Then in provided in March 2012 and revisiting what worked, what didn't (inaudible) for a longer term lease after that if that is agreeable to the Masonic Temple. We have completed that lease, its been before their board as recently as last night and they have members here present if they have any questions – (inaudible) terms work out, the one thing that we are going to clarify for them is the deed, title ownership to the land (inaudible) to the building and maybe have some clarity of who the lessee is going to be. With that, they indicated that they would call a special meeting to, if it is okay with them, take the lease, sign it and bring it back.

Pipal: Are there any questions for counsel or would you gentlemen like to add anything? So, please identify yourself for the record.

Holst: I am Wesley Holst, the secretary to the Masonic Lodge and this is (inaudible). Yes, we had some discussion about the title to the property so we couldn't agree to sign the contract today, so we are going to work that out and also the discussion about having the City of Meridian as well as the MDC on the lease just because with the action of the City Council, MDC could be eliminated, so if we have the City of Meridian on the lease that would be another point which we would like to have, which was recommended by your counsel. So, if you will give us – we agreed to the six month short term lease and then by March allow MDC to go ahead (inaudible) satisfactory – those are just a few points that we could get worked out.

De Weerd: I certainly can put it on Council's agenda for next Tuesday.

Ford: Mr. Holst what would be the timing on being able to acquire that short term initiative (inaudible) opportunity for a special meeting, we need to have that lease in place in order to submit the applications in regards to the condominium plat and others that go along with that?

Holst: By the first of next week – I think we can do that.

Pipal: Anything else that we would need counsel?

Borton: You could if the timing is such that you need to submit it next week or before the next Board meeting or is the next Board meeting --?

Ford: In my discussion with Counsel Lakey yesterday, the goal is to submit on the 26<sup>th</sup> in order to get enough time to get bits and pieces and working with Brian Fowler in order to get with VRT's and COMPASS's attorneys and get squared away, so the 26<sup>th</sup> is the goal for this.

Borton: It will be prepared, ready to sign on your next agenda Board meeting.

Pipal: Okay, very good.

Holst: That is what date?

Ford: The 28<sup>th</sup>?

Holst: All right. I think we can get that accomplished.

Pipal: Thank you very much. We appreciate your partnership.

#### **6. Approval of Audit Services Contract for Eide Bailey:**

Ford: We have brought back to you today the approval for the audit services contract for Eide Bailey – (inaudible). I will direct you to exhibit B, on page 12 of that agreement, generally what we needed to discuss with them was the scope of work with them anticipated by them for next year to provide audit services and to get a cost with that. Item number 2, the total amount of fees and costs will not exceed \$13,400 (inaudible) and I do have a representative from Eide Bailey and he is going to talk on another item on this agenda. (Inaudible) it is a little bit of an increase from last year, but there are additional policies that they have to meet and (inaudible) is here if you want to talk a little bit more about that. And as you notice that item number 7 is the resolution for this as well.

Pipal: Is there anything from those that served on the committee would like to add? I would entertain a motion on the resolution.

Borton: Would you like me to read this by title?

#### **7. Resolution 11-017 Audit Services Contract for Eide Bailey:**

Borton: Resolution 11-017 a resolution of the Board of Commissioners of the Urban Renewal Agency of Meridian Idaho; approving a consultant agreement between Meridian Development Corporation and Eide Bailey for annual auditing services for the urban renewal agency; authorizing the execution of the agreement by the Chairman or Vice Chairman and secretary; authorizing any technical changes to the agreement; authorizing the administrator to take all necessary actions required to implement the agreement and providing and effective date.

Bird: I move we approve resolution 11-017 and for the Chair to sign and the secretary to attest.

Basalone: Second.

Pipal: Any further discussion?

Roll Call Vote: Slocum, aye; Bird, aye; Escobar, aye; De Weerd, aye; Basalone, aye; Pike, aye; Pipal; aye.

ALL AYES. MOTION CARRIED.

## **8. 2011 Fund Balance Policy:**

Ford: I did invite (inaudible) to be with us – just to kind of give you some background, once we have awarded or let them know that they are selected for our auditors, they were very quick to let us know that there was a policy that we needed to implement for our 2011 fund balance (inaudible) as I understand and so Teri Stockton, our CPA, myself and Eric Jensen sat down with Eide Bailey and went through (inaudible) based on the discussion there is a drawn up policy for you in your packet today. Kevin (Inaudible) be here to kind of explain it a little bit better to the Board; unfortunately Ms. Stockton could not be here today to discuss it. So, Kevin thank you very much for being here today. I appreciate it.

Smith: Kevin Smith and I am a partner of Eide Bailey. A little bit of changes – a new pronouncement that has come out this year from five years ago for those of you that have been in government for a while know – as you look at your fund balance there is a different categories that can be in your fund balance. You can have restricted funds, unrestricted funds and even some designated funds. Just kind of change those categories and keep it as easy as we can. But there is four categories, or actually five categories. Once is unassigned – like your unrestricted, everything that is available to be spent; then there is a category called assigned. The assigned category – I will say is very similar to what we used to call designated funds. Those that you designate for a specific purpose to be spent in the coming year and then there is an area called committed funds. And committed funds actually takes an action by the Board members to reserve or restrict those funds to be used for a very specific purpose. The only way that that can be changed is by another action by the Board. Then there is a restricted funds are those that basically fall under constitutional reasons or legislature has enacted something that makes those funds restrict for that specific purpose and an example of that is maybe some grant funds that you maybe if you receive some grants; that can fall under legislature or a very specific on how those funds are spent. Or maybe some of your bonds could have some of that attached to it and sometimes there are amounts that cannot be spent, has to be reserved until a specific time and the last one is non spendable and those are just the ones that to me really it sounds like an endowment that can never be touched, something that can't be used for ever. So your fund balance categories are going to look a little different and there is going to be a – part of the (inaudible) requires a policy that you would have to approve the policy, it is fairly generic so it is not going to hold you to some budget amount or anything – it is fairly generic and basically to adhere to the new pronouncement on government 54 (inaudible). Any questions?

Pipal: Ashley, how do you want us to address this?

Ford: If you are comfortable I understand we need to adopt this via resolution and so what I would recommend is that we bring this back on the agenda, as we need to have this adopted by the end of this month.

Smith: Yes, just as long as it is adopted by the end of your fiscal year.

Pipal: Okay, very good. Thank you very much.

## **9. Change Order for Erstad Architects:**

Ford: You have a change order request from Erstad Architects for additional services. Basically there have been a number of items that have required some level of coordination between COMPASS and VRT in order to make sure that the facilities and their working spaces meet their needs. Unfortunatley we didn't have a budget line item for this type of coordination

with Erstad, so what I ask him to do was to give me a number as to what it would cost – the unfortunate part is things seem to be popping up on a weekly basis that were unanticipated on our part, so what they did was they gave me a not to exceed amount of \$5,000. We don't think we will come close to utilizing that, but this hopefully will negate the opportunity for us having to come back and asking for additional dollars and additional change orders. With each billing statement I will get a detailed analysis as to what work has been performed and that will be (inaudible) – there is safeguards, but I do recommend that we approve this otherwise there are things that have been on hold last week that until we get those dollars allocated and approved (inaudible).

Bird: I see all of these – (inaudible) owner driven change orders – is that VRT or COMPASS who is doing (inaudible) we have a contract with them for them to pay for these change orders?

Ford: I am working with Commissioner Lipschultz on this right now to try and determine what was promised to both the future buyers of each condo. Right now I am unclear as to what the limit of expectation was. I think there is some confusion attached to that. We are meeting with COMPASS and VRT tomorrow to discuss a number of items and I will definitely come back with a better answer for you.

Bird: It is owner driven.

Ford: I understand that, Mr. Bird.

Pipal: So what I understand what we have here is this is not an agreement specifically, but that we would be approving a not to exceed number and that those would have to be sent to us as an invoice?

Ford: Yes, Madame Chair, that is correct. We will be receiving detailed invoices each month for the work and I have have asked Erstad to let me know when they do start work on any particular item that I am aware of that so that there is no surprises and they have been very good about that. Unfortunately timing has become a little bit of an issue so that is partly why we just decided to ask for a flat number, a little bit larger of what we anticipated, but just to ensure the work moving forward.

Pipal: Do we know where the additional funds are going to come from?

Ford: We do have a contingency with them – our construction budget at this time. We still have plenty of balance (inaudible).

De Weerd: What did our legal agreement contemplate? I guess this is a question for Joe.

Borton: The documents will contemplate the changes at MDC's expense which are directed by (inaudible) evolved in a spirit of cooperation. My understanding of what has happened is if the

## **10. Change Order 05 for Wright Brothers Construction:**

### **DISCUSSION ITEMS**

## **11. Meridian Urban Market Update Adriane + Sabine:**

## **12. Broadway Building Construction Update (Wright Brothers):**

- 13. **Broadway Building Partnership Update (Lipschultz/Ford):**
- 14. **Counsel's Report (Borton):**
- 15. **Project Manager's Report (Ford):**
- 16. **Chairman's Report (Pipal):**
- 17. **Executive Session per Idaho State Code 67-2345:**
- 18. **Adjourn the Meeting:**

Pipal: I would entertain a unanimous motion to adjourn.

Slocum: So moved.

Bird: Second.

Pipal: All those in favor signify by saying aye.

ALL AYES. MOTION CARRIED.

(AUDIO ON FILE OF THESE PROCEEDINGS)

APPROVED:

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JULIE PIPAL, CHAIR

DATE \_\_\_\_/\_\_\_\_/\_\_\_\_