

Duties and Operating Procedures Meridian Development Corporation

Overview

The Meridian Development Corporation is the city's urban renewal agency and was created by the City Council on July 24, 2001. The Meridian Development Corporation is committed to the economic stimulation and expansion of downtown Meridian into a thriving area that provides opportunities in which to live, work, and play. Renewal and redevelopment will be supported through strategic use of resources to create successful projects that will attract and serve the people and business owners of Meridian.

This document is intended to summarize the statutes, bylaws and policies that govern the Meridian Development Corporation (“MDC”). The document is provided as a blueprint for the Board of Commissioners (“Board”) to understand and execute their duties. The Board is vested with all powers as provided by the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code), as enacted and as it may be amended in the future.

Powers

Idaho Statute provides MDC, consistent with the Revitalization Plan, the following powers and authorities:

- Construct or reconstruct streets, utilities, parks, playgrounds, off-street parking and public facilities, buildings and other improvements
- Acquire and dispose of property or buildings
- Improve, renovate, clear and prepare for redevelopment of properties or buildings
- Acquire property to eliminate unsanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to public welfare
- Invest and borrow money, issue bonds and accept loans or grants

Constituents and Partners

It is a priority for MDC to engage with and be responsive to the needs of downtown businesses, taxpayers and the general public. It is the operating philosophy of MDC that public contributions should yield public benefits. When MDC economic development efforts are successful local businesses and the community benefit.

MDC recognizes the value of two way communications with its constituents and partners. To accomplish that, MDC welcomes input and feedback at any time from downtown business owners and their patrons. MDC staff and Board members also interact regularly with numerous local and state partners including the City, Chamber, Historical Society, Arts Commission, Ada County Highway District, Nampa Meridian Irrigation District, Idaho Department of Commerce, Idaho Transportation Department and many more.

Statute also requires the encouragement of private enterprise by urban renewal agencies. To the greatest extent feasible MDC affords maximum opportunity to private enterprise.

Planning and Priorities

Following MDC's establishment, a Revitalization Plan was adopted in December, 2002 following extensive study and public input. Since then, MDC completed a collaborative process that produced "Destination Downtown" which is a vision plan built around four main goals of protecting and promoting Livability, Mobility, Prosperity and Sustainability.

MDC envisions a restored and revitalized downtown with vibrant, profitable businesses in a fun and exciting setting for people to shop, do business and enjoy themselves. MDC is now focused on implementation efforts for the downtown core.

To facilitate implementation, the Board identifies Project Priorities on an annual basis. For each of the Project Priorities the Board defines what it will take for the Project to be successful and specific action items that are anticipated. The Board also typically establishes a line item in the annual budget for each Project Priority. Recent Project Priorities have included Façade and Streetscape Improvement and to accomplish this MDC offers grants to downtown property owners. Grants are sometimes funded with the Idaho Community Development Block Grant program and all application details, evaluation criteria and selection of grantees is determined by the Board.

Annual Report and Accomplishments

Urban renewal agencies are required to prepare and file with the City an annual report of activities for the preceding calendar year by March 31. The report must include a complete financial statement setting forth assets, liabilities, income and operating expenses. At the time of filing said report the Board shall publish a notice in the Valley Times that the report is available for inspection during regular business hours in the office of the City Clerk and MDC. A public meeting to report these findings and take comments from the public is required.

MDC accomplishments from recent annual reports include:

- Completion of a new 16,000 square foot building now owned and occupied by the Community Planning Association of Southwest Idaho and Valley Regional Transit. MDC retained ownership of the associated parking lot to provide additional public parking downtown.
- Effective involvement in completion of the Split Corridor Phase I and planning for Phase II. MDC worked to minimize impacts to businesses during construction and is financing the historic lighting along Meridian Road.
- Ongoing efforts to improve downtown parking including enforcement geared to ensure parking availability for downtown patrons.
- Streetscape improvement grants which included demolition and replacement of downtown sidewalks along with installation of street trees, irrigation and lights along the sidewalks.
- Façade improvement grants that included funding to improve awnings, repair sidewalks and make improvements consistent with the Americans with Disabilities Act.
- Branding of downtown as "Old Town" and placement of kiosks and banners to improve wayfinding and signage to promote downtown attractions.
- Launch of a Nine Mile Floodplain Study to evaluate the area and determine if there is an opportunity to assist affected property and business owners. Based upon study results, MDC has worked to reduce the extent of the floodplain through removal of sediment, replacement of culverts and improvement of channels.

Transparency

Idaho Statute provides numerous requirements designed to ensure transparency and accountability for urban renewal agencies including:

- Meetings that are open to citizens, preceded by public notice and an agenda, and meeting minutes are kept pursuant to the Idaho Open Meeting Law
- Make records available to citizens upon request pursuant to the Idaho Public Records Law
- Commissioners are required to disclose conflicts of interest pursuant to the provisions of the Idaho Ethics in Government Act and the Idaho Urban Renewal Law
- MDC is required to comply with the provisions of the Local Government Competitive Bidding Law

Board Members

MDC Board members are appointed by the Meridian Mayor and confirmed by the City Council for rotating three years terms. Idaho law allows for a three to nine members. A nine member Board currently governs MDC. The ideal candidates are individuals who either live, own property, or operate a business in downtown Meridian's urban renewal area but any Meridian resident is welcome to apply to be a Board member.

Other provisions related to service on the MDC Board are summarized below:

Conflicts of Interest - Board Members must maintain their independent judgment and objectivity and avoid any activity that creates or appears to create a conflict of interest between a Board member's personal interests and the interests of MDC. Generally, a conflict of interest exists when the personal interests of a Board member interferes or appears to interfere with the Board Member's ability to act in the best interests of MDC. A Board Member's personal interests may include, but are not limited to, interests in other businesses, and the interests of family members, business associates, or other organizations.

Board members shall take all steps necessary to avoid the appearance of impropriety and any actual or potential conflicts of interest. Board members are expected to provide full, fair, accurate and timely disclosures of actual or potential conflict of interests. In the event that an actual or potential conflict of interest exists, a Board member shall disclose the nature of the conflict to Legal Counsel, who shall advise if disclosure to the full Board is necessary and whether the Board member is required to recuse himself or herself from the relevant discussion or abstain from the vote on the matter. If Board member does not follow the advice of Legal Counsel the full Board shall be notified and make a determination in the matter. A Board member may abstain from the vote or ask to be excused from the discussion or vote even if recusal is not required by Legal Counsel. Disclosure of an actual or potential conflict of interest does not affect the ability to count a Board member for purposes of determining a quorum.

Compensation – Board members do not receive compensation for their services but are entitled to necessary expenses including travel.

Insurance – As a local unit of government, MDC is covered by the Idaho Counties Risk Management Program (ICRMP). As a member of ICRMP, MDC is ensured for property, auto and general liability, errors and omissions, crime and training at member locations and conference workshops. ICRMP also provides sample forms and policies along with local, experienced,

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courteous and knowledgeable team of professionals to help with claims and litigation involving public entities.

Vacancies – A signed, written resignation is requested by MDC if a Board Member is unable to complete his or her term. According to Statute, Board Member vacancies before the expiration of term are filled for the remainder of the term by a majority vote of the Board as long as the person meets the requirements. In recent years, MDC has worked closely with the Mayor and City Council to concurrently advertise and permanently fill Board member vacancies as they occur. Commissioners hold office until successors are appointed and the Mayor shall file a certificate of appointment with the clerk.

Removal - Commissioners may be removed by a majority vote of the Board or by the local governing body for inefficiency or neglect of duty or misconduct in office. A hearing must be held and the Commissioner facing removal has the opportunity to be heard in person or by counsel. A copy of charges must be provided at least 10 days prior to hearing.

Termination - By enactment of an ordinance, the local governing body may terminate the appointed board of commissioners and thereby appoint and designate itself as the board of commissioners.

Officers and Executive Committee

MDC conducts annual elections in February of each year to select officers. Currently, the officers are Chairman, Vice Chairman, Secretary and Treasurer. In recent years, MDC has combined the position of Secretary/Treasurer but it may be separated in future years. The Officers serve as an Executive Committee for MDC and meet on the Tuesdays of weeks that the Board does not meet. Meetings are typically held at 7:30 am at the Sunrise Cafe.

Specific duties of the MDC officers are summarized below:

Chairman - The Chairman shall be the chief presiding officer and in general supervise and control all of the business and affairs. The Chairman shall, with the Secretary or any other proper officer authorized by the Board execute all deeds, bonds, contracts and other legal documents authorized by the Board or required by law to be otherwise signed or executed. The Chairman also has any other powers and duties as assigned by the Board. The Chairman shall have the power to vote on any matter presented to the Board.

Vice Chairman – The Vice Chairman shall possess all the powers and perform all the duties of the Chairman in the absence or disability of the Chairman. The Vice Chairman shall have the power to vote on any matter presented to the Board.

Secretary - The Secretary shall cause to be kept all minutes of all proceedings and shall ensure notices of meetings are provided as required. The Secretary also provides for the execution, along with the Chairman, of deeds, bonds, contracts and other legal documents authorized by the Board or required by law to be otherwise signed or executed. The Secretary is the custodian of the Corporation seal, books, bylaws and such other records as the Board directs. The Chairman or Vice Chairman may perform all the duties of the Secretary in the absence, disability or refusal by that person.

Treasurer - The Treasurer shall have the general custody of all MDC funds and securities and shall have general supervision of the collection and disbursement of MDC funds. On behalf of MDC, the Treasurer endorses checks and other obligations and shall deposit the same to the credit of MDC in banks the Board designates. The Treasurer is authorized to sign negotiable instruments and checks require two signatures. The Treasurer ensures that that MDC has full and accurate

account of all monies received and expended. The MDC books and accounts are available at the MDC office to any Board member during regular business hours. The Treasurer is required by statute to be bonded for faithful performance of his or her duties. To meet this requirement, MDC is covered by ICRMP crime insurance coverage that includes a 'Policy in Lieu of Public Officials Security Bond'.

Compensation – Officers do not receive salaries for their services.

Vacancies – If any office of the Board becomes vacant for any reason the Board shall elect a successor who shall hold office for the unexpired term or until a successor is elected and qualified.

Board Structure and Meetings

The MDC Board meets regularly and public participation is invited and encouraged. All Board, and Committee, meetings are open to the public and are posted consistent with the Idaho Open Meeting Law on www.meridiandevdevelopmentcorp.com.

Specifics related to MDC Board meetings are summarized below:

Agenda Items - Board agenda items typically include a Consent Agenda (minutes, acceptance of reports, etc), Presentations, Action Items, Discussion Items, Reports (Project Manager, Counsel, Chairman and Legislative Consultant), Public Comment and Executive Session (if needed and publicly noticed). Typically, the Board members are emailed a packet of materials that correspond to the meeting agenda one week in advance. The Executive Committee sets the agenda for Board meetings.

Parliamentary Procedure - The current edition of Robert's Rules of Order governs regular and special meetings of the Board unless those rules are not consistent with MDC bylaws.

Public Input - At the Chairman's discretion, reasonable time limits may be established if needed for the standing 'Public Comment' portion of MDC Board meetings. Additionally, the Chairman may recognize non Board members and guests to provide public input during consideration of any other item of business. Agendas are typically available the week prior and summary minutes are completed and posted within a few weeks.

Quorum – A majority of the commissioners shall constitute a quorum for the purpose of conducting business and all other purposes. Action may be taken upon a vote of a majority of the commissioners present unless in any case the bylaws require a larger number.

Resolutions – Action by the Board is typically presented in resolution form and may include projects and agreements. Resolutions may include exhibits and are typically one year in length but may be longer. As needed, the Board may authorize execution of the resolution by the officers or Administrator. Once approved, resolutions are filed with the City Clerk and are available on line at www.meridiancity.org on the City Clerk's Office page under 'Forms & Searchable Documents'. MDC resolutions are organized by year and listed by number in chronological order of passage.

Regular Meetings - Regular MDC Board meetings are scheduled for the second Wednesday of the month at 7:30 am and the fourth Wednesday of the month at 4 pm unless otherwise publicly noticed. Meetings are held in the Meridian City Hall building.

Special Meetings - The Chairman, or any two members of the Board, has the power to call special meetings of the Board consistent with the Idaho Open Meeting Law. The notice required may be waived in the event an emergency involving injury or damage to persons or property occurs or is likely. The person or persons authorized to call special meetings determines the location. If a special meeting is called the reason therefor and disposition thereof must be entered in the minutes.

Committees

The Board may appoint committees to investigate and study matters of MDC business and to report on findings of said matters. When possible, each of said committees shall be chaired by a Board member but the committees may be comprised of any interested party. The committee chair, or active Board member, typically makes a regular report of committee discussions and any specific recommendations to the Board.

The term of office, the persons serving, matter to be studied and all procedural decisions shall be made and decided by the Board. Each committee has a general area of interest and is typically given specific projects to investigate or proposals to review and report back upon. To the extent possible, the Board shall be as specific as possible regarding expectations, timeline and the potential budget. The background work, research and fact finding completed by each Committee is very valuable to the Board. However, Committees do not have the power to make final MDC decisions.

Current MDC Committees are -

- Downtown Parking
- Façade Improvement
- Ground Floor/Bank
- Wayfinding and Signage
- Wine Cooperative

The Committees meet monthly and are open to the public. A roster and regular schedule of committee meetings is maintained by Administrator.

MDC also coordinates with and participates in other activities such as Streetscape efforts and the Meridian Downtown Partnership in coordination with the City of Meridian & Chamber of Commerce.

When needed, a specific Board member may be designated to formally represent MDC in other endeavors such as Valley Regional Transit.

Staff Support

According to the bylaws, the Board by majority vote may engage an Administrator who shall serve as the Chief Executive Officer. The Administrator is also commonly referred to as Project Manager. The Administrator serves at the pleasure of the Board and may be removed by a majority vote of the Board in compliance with any applicable agreement. The Administrator shall have such powers and duties as may be assigned to him or her by the Board.

In essence, the Administrator is the MDC Organizational Steward. The current professional services agreement provides that the Administrator is responsible for the effective administration of all MDC activities including development, finances, planning, implementation, operations, meetings, community outreach, property management, budgeting, public records, open meetings and developing and maintaining MDC's external relationships.

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The Administrator is expected to work independently, travels as required by MDC and is expected to spend approximately 24 hours per week at the MDC office. As an independent contractor, the Administrator does not have the power to contract for MDC.

MDC also enters into professional services agreements for outside legal services, accounting services and an annual audit.

Financial Matters

The entire Board has a fiduciary responsibility for MDC. The Board meets this responsibility in various ways including annual election of a Treasurer, financial management provisions in the Administrator's contract and an ongoing contract with an accounting firm.

According to MDC bylaws, the Treasurer shall have the general custody of all funds and securities and shall have general supervision of the collection and disbursement of funds. On behalf of MDC, the Treasurer endorses checks and other obligations and shall deposit the same to the credit of MDC in banks the Board designates. The Treasurer is authorized to sign negotiable instruments. The Treasurer ensures that MDC has a full and accurate account of all monies received and expended. The MDC books and accounts are available at the MDC office to any Board member from the accountant during regular business hours. The Treasurer is required by statute to be bonded for faithful performance of his or her duties. To meet this requirement, MDC is covered by ICRMP crime insurance coverage that includes a 'Policy in Lieu of Public Officials Security Bond'.

Based upon a professional services agreement, the Administrator is responsible to work with the Board to prepare the budget, ensure transparency and ensure that sound bookkeeping and accounting procedures are followed. The Administrator works closely with the Treasurer and accounting firm to administer funds according to the approved budget and to monitor the monthly cash flow. The Board is provided with comprehensive monthly reports on the revenues and expenditures. When directed, the Administrator researches funding sources and writes proposals to increase MDC revenue.

The Board also contracts with a CPA at a local accounting firm to maintain the books and prepare for an annual audit. The accounting firm processes all deposits and accounts payable for MDC and prepares checks for all payables based upon Board pre-approval. A separate, independent accounting firm conducts annual audits.

The operating revenue for MDC activities is derived from the designated 'Revenue Allocation Area'. When a Revenue Allocation Area is formed, the county assessor establishes the current value for each property in the area, which is referred to as the base value. Over time, if both public and private investments are made and development occurs in the area, property values tend to rise. The increase in value over the base is called the "increment" value. The taxes generated by the increment value are distributed to MDC as opposed to the taxing districts. Taxes generated from the base value continue to be distributed to the taxing districts. MDC does not determine property valuation or levy rates. The revenue allocated to MDC is intended to be used to pay for improvements and revitalization activities to attract private investment and eliminate deteriorated or deteriorating conditions, with the goal of strengthening the local economy.

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Other MDC requirements and financial information is summarized below:

Fiscal Year - MDC's fiscal year is October 1 – September 30.

Audit - MDC is subject to the same financial audit requirements as municipalities. Each October, MDC engages in a contract with an auditing firm and that firm spends a week in November with the CPA performing the audit. The firm typically presents the audit findings at the first MDC meeting in December and the Board is required to adopt the audit by year end and subsequently implement any findings.

Bank Accounts and Signatures – Bank accounts may be authorized by resolution of the Board and the Treasurer, with approval of the Chairman, may authorize such bank accounts to be opened or maintained on behalf of MDC. Payments from such bank accounts are to be made from an MDC check. Each check requires two signatures of the Commissioners or bonded employees as authorized by MDC. Typically, the Chairman and Vice Chairman sign checks with attestation by the Secretary/Treasurer.

Budget - Pursuant to Idaho Code, MDC is required to pass an annual appropriation resolution and submit the resolution and budget to the City of Meridian on or before September 1st of each year. The budget includes an annual estimate of revenues and expenses for the upcoming fiscal year and must be approved following public notice and a public hearing. Current budget categories include operating revenue, professional services, operational expenses and capital expenditures.

Financial Statements - On a monthly basis, the board reviews and approves financial statements that are itemized by category and show actuals as compared to budget for each.

Fund Balance Policy – Resolution No. 11-021 was adopted on September 28, 2011 in order to maintain adequate fund balance levels in order to provide for the financial stability of its operations from unforeseen fluctuations in revenues and unanticipated expenditures necessary for MDC's operations. MDC funds are categorized into five designations:

Nonspendable - Assets that are non-cash or that are legally or contractually required to be maintained intact. Such as inventory, long-term loans receivable, property held for sale, endowment or permanent fund principal and prepaid items.

Restricted – Constrained for a specific purpose and legally restricted by external parties, such as State or Federal agencies.

Committed – Self –imposed by MDC. Formal action is required by the Board to commit funds and must occur prior to year-end; however the actual dollar amount may be determined in the subsequent period.

Assigned – Intended for a specific purpose and authority to assign is delegated to the Administrator. Formal action is not necessary to impose, remove or modify and Assigned Fund Balance.

Unassigned – the remaining fund balance that has no internal or external restrictions. Unassigned amounts are available for any purpose. Although there is generally no set spending plan, there is a need to maintain a certain funding level. The unassigned fund balance is commonly used for emergency expenditures or reserves needed to ensure cash flow.

By practice, MDC reserves 8% of the current year budget of tax revenues in order to ensure there is sufficient cash flow to maintain services. This reserve will be in the unassigned fund balance unless the Administrator designates otherwise. According to this policy, the restricted, committed and assigned fund balances are expended first followed by the unassigned unless the Board approves to do otherwise through the budget process. The Administrator and MDC accountant shall take all

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actions necessary to implement this Policy and ensure continued compliance by MDC with all rules and regulations.

Capital Assets – Capital assets are defined as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. MDC tracks these items as part of their annual accounting and audit functions. Current MDC fixed assets include the Ground Floor and Washington Mutual buildings and land as well as property at 200 and 226 East Broadway Avenue (referred to as the Bridge Development). Other MDC assets include office furniture and equipment as well as intangibles such as the Master Plan, 3D modeling and the website.

Contracts – The Board may authorize any officer or agent to enter into or execute any contract on behalf of MDC and such authority may be general or confined to specific instances.

Indebtedness – No loans shall be contracted on behalf of the MDC or indebtedness issued in its name unless authorized by a resolution of the Board that is in compliance with state statutes.