

MINUTES
MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, July 27, 2011, 4:00 p.m.
Meridian City Hall Conference Room
33 East Broadway Avenue - Meridian, Idaho

1. Call Meeting to Order (Pipal):

Meeting called to order at 4:00 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

Pipal: Member Slocum is not going to be with us is that correct Ashley?

Ford: That is correct.

3. Confirm Agenda (Pipal):

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

Bird: I move we confirm the agenda as published.

Basalone: A motion and a second. All those in favor.

Escobar: Do we want to table action item 5 to the special meeting?

Bird: We would do that when we get to it.

Escobar: I thought we would correct the agenda. Oh, I see what you are saying.

Pipal: Well it was a good question. Any discussion? All those in favor signify by saying aye. Any opposed signify the same.

ALL AYES. MOTION CARRIED.

4. Consent Agenda (Pipal):

- a. **Approve Minutes of July 13, 2011 Regular Meeting:**
- b. **Accept Treasurer's Report and Notice of Bills Paid:**
- c. **Accept Ground Floor Report**
- d. **Accept Meridian Urban Market Report**

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

Escobar: Second.

Roll Call Vote: Jensen, aye; Bird, aye; Escobar, aye; Lipschultz, aye; Basalone, aye; Pike, aye; Pipal, aye.

ALL AYES. MOTION CARRIED.

ACTION ITEMS

5. Adoption of FY2012 Draft Budget (Jensen):

Bird: I would move that we continue this item to our special meeting on August 5, 2011.

Lipschultz: Second.

Pipal: A motion and a second. All in favor signify by saying aye. Opposed same sign.

ALL AYES. MOTION CARRIED.

Pipal: The motion is made to table this item to 7:30 a.m. on August 5, 2011.

6. MDC Building Change Order 003 to Reduce the Electrical Allowance (Ford):

Ford: We have already had this discussion – this is the Meridian Development Corporation change order 003 to reduce the electrical allowance for the COMPASS VRT building and essentially this came down to the (inaudible) decrease of the overall general contractor's contract of \$68,102. This comes about as a result of (inaudible) Idaho Power directly December 2010, but the general contractor had included that in their bid. So we needed to take formal action on this item.

Pipal: Is there a motion?

Bird: I move we approve the change order 003.

Jensen: Second.

Pipal: Any discussion?

Bird: I would add to it for the chair to sign and the secretary to attest.

Pipal: Second motion maker all right with that?

Jensen: Yes.

Pipal: The motion before us is to approve change order 003 for the chair to sign and the secretary to attest. Any discussion?

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

ALL AYES. MOTION CARRIED.

7. MDC Building Change Order 004 for the Removal of Buried Concrete Slab (Ford):

Ford: This change order 004 for the removal of the buried concrete slab. This is for a contract set to be increased by \$9,900.12. I don't think there is any question to that amount because that did go by (inaudible) Erstad Architects who is (inaudible) the project. I think that the issue came down to we had several board members ask the question as to why the contract got increased by six days. We did try to get more overall estimation from Wright Brothers, which was in your packets and I am not sure there was an opportunity to review that. I have one of our representatives from Wright Brothers to answer any questions that you may have (inaudible) and I would be happy to have them come up.

Pipal: Do we have any questions from this Board? I would like to clarify one thing about the change order and in understanding, further understanding how the labor was allocated for the Board's benefit. When we ask them to deal with an issue, at the end of a contract the labor also has to be included to covered the time in which they would be doing that, even though work continued at the site during the delay, so they were still being paid to provide some work that was continuing but when the additional work is done after the end of the contract there will have to be supervision. I did not understand that upfront and I know that was one of the questions that came up.

Bird: I don't agree with it. I think we have to set up and probably should have been on the job anyway. But anyway that is my thoughts.

Pipal: If we get a motion on the table then we can have some further discussion.

Lipschultz: I move that we approve change order 004.

Pipal: We have a motion, do we have a second?

Jensen: Second.

Pipal: A motion and a second, any discussion?

Lipschultz: (Inaudible) Wright Brothers give a quick presentation and just clarify in terms of the supervision portion (inaudible).

Pipal: Please identify yourself for the record.

(Wright Bros Rep): (Inaudible), Wright Brothers. My understanding of the question in supervision is that the Board is under the impression that we are charging general conditions for supervision for the six days that they took place. Is that assumption correct?

Pipal: I think that is where some of the confusion was coming from.

(Wright Bros Rep): In the bid for the original contract amount you have general conditions and supervision which are allocated for the entire duration of the project from the start date of the project to the completion date. So those (inaudible) are in your original contract. What delays you incur which impacts a critical path item, that delay bumps not only that activity back, but all of the following activities clear through the end of the project. So when it bumps the last project past the completion date of the schedule, there is additional monies that we feel are due for (inaudible) and supervision that were not – that are due beyond the completion date of the contract. If it was a T&M contract it would be a whole different setup than we have in this contract, if there was no work being performed during those six days then (inaudible) wouldn't charge. That is not how this contract is setup. It is start date to completion date and when that completion date moves, we incur additional costs of the project for having additional supervision, general conditions.

Pipal: So if that is the case and because I didn't work on the contract on the front end, if that is the case those amounts are basically established in the contract. If other things were to occur and work would have to – let's say we god forbid find another piece of concrete and it did create a delay and that would also have to be excavated, would we again be charged with that same six days for the labor supervision?

(Wright Bros Rep): No ma'am. Once there is an extension gone beyond the new completion date, so long as the critical path activities do not extend that new completion date, those six days cover whatever work occurred in that timeline. Now there is additional issues and delays that could come and the completion date could be extended further from that six days or whatever the request is then that portion will be requested and so on and so forth as the issue comes up. It is not that we would come back and ask for additional amounts of money for the same amount of days.

Basalone: I guess the concern is when we look at this and we see the excavation is 3980, of the supervisions 5362 it seems like it is out of whack. The actual work should maybe cost more than the supervision. So what exactly does supervision entail during those six days while this is being done?

(Wright Bros Rep): I am not sure that they included the backup that we presented with the change order request to the actual change order is pretty detailed – that spreadsheet right there has a detail of what change orders are –

Basalone: For the 3980?

(Wright Bros Rep): (Inaudible).

Basalone: No, I realize that, but what I am asking is just for my layman's satisfaction what is exactly is supervised during the excavation during those six days?

(Wright Bros Rep): I think that is where we are still hung up on thinking that the charges for the six days that are occurring at the time of the issue – it is not those six days – those six days at the time of the issue are already included in your contract amount. When there is a delay to the critical path activities and pushes the construction beyond the original completion date – so it is not a matter of we are looking for a compensation of the six days at the time as that is already in

your contract, it is for the six days on the tail end that we have to maintain supervision, general condition items that are listed in there beyond the original completion date.

Basalone: So you are in a sense retooling your agenda for the rest of the time period? Is that essentially --?

(Wright Bros Rep): Where it extended.

Basalone: I still don't quite understand what you said.

Borton: It sounds like the question that I am hearing is during the six days of the work being done, what were the specific critical path activities that you were unable to do because of the excavation?

(Wright Bros Rep): The actual item that we are talking about is an existing footing that was in place in the same alignment as the footing that needed to be put into place – without written authorization to proceed to remove that footing, it impedes the further excavation of the footing line to put the new footing in and also it impedes construction of building a path. So we have tried in order to bide time in order for the issue to be dealt with to go the building paths as far out as we could. Got it tested so that is was certified and we pretty much proceeded with the work as far as we could until we were completely impeded (inaudible).

Lipschultz: So if the weather continues to be good and productivity seems to be good in terms of the project, we get back some of these days, is there an adjustment or is this --? Normally we would do this at the end of the project when you have gone over the expected completion date –

(Wright Bros Rep): Typically we will turn in our request for additional day, job conditions and supervisions as issues come up. That way that we don't end up at the tail end of the project – in our past experience it is better to deal with the issue at the time than it is to wait until we are up against a block, going through the owner trying to coordinate, tenants moving in and occupancy of the building and then all of a sudden we have got to go through the entire discussion which could take a considerable amount of time.

Pipal: Identify yourself for the record please.

Grubb: Robert Grubb with Wright Brothers, Project Manager on the project. Member Lipschultz to answer that as well is in the contract there is a specific clause for liquidated damages from that and I think we are all aware of that; if we don't get it done in a certain amount of time we penalize. There is no clause in the contract that if we get early then you guys get bonuses. That is exactly where this comes into. We are taking risks, you are taking risks, there are things in place, so no if we get done early, which we all have been around construction projects they typically goes to the end and that are a lot of things involved in this project and I don't anticipate that we are going to be early, but no we don't do that. The same is if we run over because of our reasons, we simply just don't manage it well enough and we continue to go over, that burden and that cost is on us. We don't ask for that. These are things that are absolutely unknown, that are in our way that we had no control over and we had to deal with it. So, no we would not reimburse if you are early. So, if we go late, we deal with those costs.

Pipal: Are there any questions?

Escobar: I don't have the contract in front of me, so I don't know how much liquidated damages were.

(Wright Bros Rep): Yes, they are \$5,000 for the first two weeks and \$5,000 for each successive two weeks.

Pipal: Any other questions?

Escobar: Follow up. So our liquidated damages are approximately \$500 a day for the first two weeks and when you break down their costs their charge for additional time is actually \$893 a day if we run over schedule just as a point.

(Wright Bros Rep): The way that your contract is written is the first day that we go over, it is a \$5,000 charge. That \$5,000 covers the first 15 days and then at day 16, if we get an inspection on day 16, we are reassessed by contract or able to be assessed another \$5,000. Then that covers an additional 15 days.

Pipal: Additional clarification?

Grubb: Just to bring it up since we are all here to talk about it, there is the issue of the canal being in this project and what is going to have to happen with that and so liquidated damages and things like that talking about them right now, I just want to make sure that we will probably be all discussing this again in the future on how that is impacting the work that we can't do and how that is all going to happen and so I would hate for anybody in this room to think that maybe if we miss it by one day on a certain date that we might be able to recover \$5,000 or something to offset these costs – there is going to be a lot of discussion about how this project is going to end and with the canal situation, the dates and those types of things. I just want to put that out there so everyone is aware that that is coming down the road.

Lipschultz: Just as an update to that we were working on (inaudible) and it is our intention to be fair and for you guys to be fair as well.

Grubb: Absolutely and we talked about – the penalties on this project are pretty severe in our opinion, so we have to deal with that and have to address it. If one day is \$5,000 we would have to put time and effort on that issue. So we would prefer and love to come to an agreement and say hey let's work through the final date and let's move these penalties and let's not have to address those and focus on what we need to focus on and address these issues.

Bird: You had it on for the delay held by that; what about the days that the pats down – some of the steel is up, the other steel is sitting there ready to go and nobody is on the job for three days?

(Wright Bros Rep): There hasn't been a day that there hasn't been people on the site working.

Bird: Well they must have long lunch hours. There were Steelers' sitting around there and nothing happening. All of the under ground utilities is up, the pipe is up and I am told that when I call that they can't do it because of power lines, but there weren't no power lines over head that I could see. Are you going to kick back some dust for that? That had to extend your days.

(Wright Bros. Rep): What days are you talking about? The day that the slab was poured?

Bird: Well on the north side you put up about five or six pieces of steel and all of a sudden it just shut down and the steel didn't come back up until after we started block –

(Wright Bros Rep): Yes, sir. You are correct.

Bird: I don't see where the block interfered with the steel or the steel interfered with the block. I could be wrong, but I don't see where it did.

(Wright Bros Rep): Let me explain it. The structural steel was erected the day after the power lines came down. I had a 14 day delay from the time that we poured the slab from the time that we poured and the power lines came down. At the time we were trying to coordinate when those power lines were going to come down, I was told by the utility contractors that those power lines would not be down until Thursday of that week. So I am trying to coordinate my masons to get them back on the site, my steel workers were available; unfortunately my masons were not. In order for me to get them – because the utility company was able to bump up their schedule and bring down the power lines on a Monday, I wasn't able to get my masons back on site until the following Monday to begin laying out the block. The reason that we have five to six pieces of steel on the end there, is because the two tones that were out to the south from the north line of the building are imbedded columns and they had to be erected in order to be encased in the (inaudible). It was a coordination issue. It is not a matter of we didn't well coordinate our subcontractors it was a matter that we had a delay – our subcontractor had to allocate their forces and their materials to another job in order to keep their guys working because the information that I was provided by the utility company was that they wouldn't be there until that Thursday and possibly that Friday. So I wasn't immediately available to bring my masonry guys –

Bird: Who is your steel (inaudible)?

(Wright Bros. Rep): (Inaudible).

Bird: How about your masons?

(Wright Bros. Rep): Brick Line Masonry.

Pipal: Any additional questions? Thank you gentlemen. We have a motion on the table to approve change order 004.

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

SEVEN AYES. ONE NAY. MOTION CARRIED.

8. On Call Engineering Services Subcommittee Formation (Pipal):

Pipal: Ms. Ford will kind of lead the effort on those subcommittee and review of the responses that we get. I have listed our volunteers, Members Escobar, Basalone and Bird. Is that still acceptable for reviewing those responses?

Bird: That would be fine with me.

Pipal: Okay. There are your folks for that one.

9. Financial Auditor Services SubCommittee Formation (Pipal):

Pipal: I have listed Members Basalone, Jensen and Pike. Is that still --?

Basalone: I may have to withdraw from the committees and it is something that I will discuss with you.

Pipal: We usually want to consult counsel if there is any major concerns.

Basalone: I have consulted with counsel.

Pipal: Okay, at least going forward unless we know anything different that is the committee for the financial auditor services. Also to be coordinated by Project Manager Ford.

Ford: The RFP's for each of those will be in 4:00 p.m. this Friday and so I will contact (inaudible).

Bird: We can certainly use the Council Chambers to go over them.

Ford: Just for Commissioner Bird's – (inaudible) we could find in each category to make sure they are in this list.

Pipal: Thank you very much. Member Basalone is still on until we have discussion or find additional – I don't know what the circumstances are, but let's assume we are going forward for right now.

Bird: I would be on the financial too – if he has to –

Pipal: And I had said that I would be willing to serve on the engineering if necessary, so we have alternates.

10. Ground Floor Relocation (Slocum/Jensen):

Ford: If I could help Mr. Jensen out. I think you will appreciate this as well. We did as of yesterday get our initial approval of our certificate of zoning compliance along with our petitions, so we do have that first step out of the way. What we are looking for from the Board is a recommendation as to what we want to do, but based on our discussion within the budget, you are looking for somebody to come with a recommendation for this. So I don't know that this will truly be an action item today or bring it to the next Board meeting after we get together, look at the numbers and come back with a recommendation.

Pipal: Unless Member Jensen wants to offer something we could continue this discussion if it is not too far out of the timeframe to be meeting on the 10th?

Ford: That will give us a chance as a subcommittee to come back together and discuss if that makes sense.

Jensen: It does. One question I have is you talked to – well I guess we will talk about that in the subcommittee but of how the actual work is going to get done and who is going to handle that. I know we have talked about it several times as a Board and as a subcommittee so, I guess that is where the recommendation will come from.

Pipal: I would suggest that whether or not we have our current project manager or hire a general to do it, should be part of that recommendation. I would entertain a motion to continue the discussion on the Ground Floor relocation to August 10th.

Jensen: So moved.

Pike: Second.

Pipal: All in favor signify by saying aye. Opposed same sign.

ALL AYES. MOTION CARRIED.

11. Approval of Civil Survey Consultants Task Order for Bank of the Cascades Subdivision (Ford):

Ford: Before you, you have a task order – how this all kind of came together is as we working through the certificate of zoning compliance for the Ground Floor (inaudible) one of the questions that we had to address was parking on the site and so this of course got me looking through some files and trying to find what I had always heard about was a shared parking agreement between the old bank parking building and MDC and Bank of Cascades – unfortunately no such document exists at this point and on my research what came to find out was that in our conditions of the purchase of this property, we as MDC were supposed to short plat to separate both buildings. Right now both (inaudible) sits on a parcel. So this is part of our purchase and sale agreement upon recordation of the plat, we would execute the parking agreement, which again, looks like it has never been executed, it has just been practiced in theory. But also this came back to the question of Commissioner Bird when he thought there was an agreement for that sign put in front of the Bank of Cascades (inaudible). There is but it has to be upon recordation of the plat. So in going back to (inaudible) Bennett who was our on call surveyor I asked him if he ever put together a record of survey or a plat for these parcels and he said actually he did that in 2009 and it has been on hold and he was not sure of the reasons why and when I spoke to the former project manager Shaun Wardle, he has said yeah, it was just put on hold and I really didn't get a reason as to why, so knowing that we have this outstanding and we can take this project forward and get it done fairly quickly, I just wanted to update the plat materials to the city because it still has 2009 requirements that need to be updated and so I would like to go ahead and make that whole and get that project agreement in place (inaudible) ramifications for the future (inaudible). Right now I was able to get our CZC for the (inaudible), but as we have adequate parking on the Washington Federal Savings site; so we are able to utilize that parking, but as soon as someone wants to come in and use that we don't have parking for the building. So we do need to get this taken care of as quickly as possible. So that is what is before you with the task order for \$2,000 to be able to update the plat materials, take that through the process, get it recorded and (inaudible) November (inaudible).

Bird: Then the sign goes away?

Ford: As soon as we report the plat, the sign goes away – they have got ten days.

Pipal: Are there in any additional questions? I would entertain a motion to approve the task order for the Bank of the Cascades subdivision.

Jensen: I move that we approve the task order for Bank of the Cascades for the civil survey.

De Weerd: Second.

Pipal: We have a motion by Member Jensen and a second by Member De Weerd. Any further discussion?

Basalone: Ashley does that removal of the Cascade Bank building sign also apply to the Washington Federal site?

Ford: I don't think the Bank of the Cascades are interested in doing another (inaudible).

Basalone: I meant is there the same kind of agreement in that?

Pipal: So there is no agreements with regards to the other facility?

Ford: Not that I am aware of.

Pipal: Unless anybody else wants more history --?

Lipschultz: Does it make sense (inaudible)?

Pipal: Like a two for one? Yes, I think that is a great idea. Would the maker of the motion and second to have that added?

Jensen: Yeah.

De Weerd: Absolutely.

Ford: So the motion is to approve the task order to the Bank of the Cascade subdivision and to have Project Manager Ford look into what it would cost us to have both of the signs removed at the same time. Any other discussion?

Bird: We are not paying for the removal of the Cascade's signs.

Pipal: For clarification

Bird: That is their responsibility.

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

ALL AYES. MOTION CARRIED.

DISCUSSION ITEMS

12. Broadway Building Partnership Update (Lipschultz/Ford):

Lipschultz: I will turn it over to project manager Ford.

Ford: The change orders are the big outstanding, obviously needs to be taken care of. The other items that we are working through are the (inaudible) property boundary adjustments and I am working with Counsel Borton to get those documents ready for submittal and I have asked for all parties to review by this week so we can move that process through with (inaudible) Counsel Borton. I don't really have that much more to say other than I am working towards

providing offsite parking to meet the city's requirements for us to be able to obtain an occupancy. With Masonic Lodge I did meet with them because our agreement doesn't specify a number of spaces, I need to have a clarification (inaudible) have the ability to stripe additional parking spots in there as well. That alone will not cover the parking requirements that we need for COMPASS and VRT. I have contacted (inaudible) Mayor's Office and basically (inaudible). So basically what it ultimately comes down to is I have to have parking (inaudible) off street parking – is that initial parking on the premise was for (inaudible) and do it all at once just for cost savings focuses, but what I think we are going to have to do is get at least 10 to 12 spaces paved and ready to go and being able to utilize once we get that temporary occupancy and are able to utilize the building – it is not my favorite solution, but I have (inaudible) options at this point unless there is any. So we are continuing to look and see if we can find (inaudible) but I think that is the direction we are going.

Lipschultz: (Inaudible)?

Ford: That is being utilized for the Ground Floor? I didn't do that but because it is already being fully utilized, I can ask that question.

Pipal: But is the timing such that we would have that available prior to the move?

Ford: If we are not moving in until November into the COMPASS VRT building one side would probably be utilized by the Ground Floor. So I saw that conflict there. So I didn't think I would be able to utilize those spaces (inaudible) CZC for another use.

De Weerd: Have you talked with Pro Bill?

Ford: Pro Bill?

De Weerd: He is the (inaudible) lumberman's building and have a parking lot right there; it is under their lease so you wouldn't have to work with being Union Pacific; as well there is also perhaps options across 3rd Street as well on their leased property there.

Ford: Okay so they own (inaudible)? Thank you. Union Pacific wasn't very nice in their response back.

Pipal: Anything else?

Escobar: A question for Project Manager Ford. What else do we know about other change orders because now that we paid agreements to this change order today, do we know if there are more time extensions or more change orders coming? You hear rumors (inaudible).

Ford: Well I think it is a fair question. Yes, the Idaho Power conversation that we just had will be a change order forthcoming; I have yet to see it and the reason why I am not discussing it is because I have not seen the details because it is being vetted by Erstad at this point and time. So while I know there is a change order request in front of them or maybe more than that or maybe just that, but that will just be asking for additional days or dollars because I don't know the details yet because Erstad (inaudible). So I apologize that I don't know more than just that.

Bird: As I can see here we have got the possibility of two of them. One of them the overhead power delay and I would also like to request the time that we get their daily logs and who was on the job and what they were doing.

Ford: Do you want me to go back to the beginning of the project or from this point on?

Bird: Their delays are going back to – I want to know when their delays are. I would like to see their daily log if they have got one.

Pipal: Anything else?

13. Destination: Downtown Branding Update (Pipal):

Pipal: I did meet with Bruce Altig, the Chair of the Meridian Chamber of Commerce –they have changed the name so I am not quite sure of the name, but discussed with him partnering on the branding process. We talked about several opportunities to do that. Maybe sponsorships for the process, definitely participation of businesses within the urban renewal district because it had an interest as well as even helping us to fund just outright – having the Chamber itself outright help us fund the branding process. I explained to him repeatedly in the conversation that if somebody (inaudible) we have invested dollars and I showed him the scope of work and the history and even the investment of dollars and we want to make sure that when this comes out that it is not something our board came up with, but that it actually made sense with the people who live in the district, who work in the district, who do business in the district and he was going to take to the executive committee meeting on Thursday of last week and they had some serious discussions that they had to take care of and our branding discussion did not make it onto the agenda. (Inaudible) to elaborate on that a little bit – it was really a discussion about the changes they were making --? Okay. But I think it was a positive discussion and I expect to hear back from that at the next executive committee meeting as to what opportunities that we might have to talk to the members to get them to engage with us and until then I would recommend that we don't try and go forward because we have – if we try to do it by ourselves again, I don't think that we are going to end up with a product that we want. Any questions?

14. Counsel's Report (Borton):

Borton: Not much in addition to what we have already discussed today. We will be completing very soon a draft for you between MDC and the city for tree replacement and towards consideration (inaudible) whatever dollar figure that you plug in next Friday and that participation in the rest of the agreement and can finish the work on the property boundary adjustment.

Pipal: That is a not to exceed number, correct? The way we are wording that? The dollars figures is a not to exceed?

Borton: Yes.

Pipal: Based on our budget?

Borton: Correct, Madame Chair. That is at the Board's discretion whether it is tree grant to fund those – I provided in your packet a specific tree of action that they want to replace – one of the comments (inaudible) prior occasion was to get some feedback on exactly, literally exactly how the dollars will get spent. And it looks like they provided that right down to the actual trees. So the funding and the MOU will coincide with – about this time of year (inaudible) request to those trees they seek to replace there will be an exhibit to the MOU. So there is some accountability there for the tree wells or whatever improvements that you want to fund. That is it. Oh wait, that is not it, sorry. I would (inaudible) provide to you (inaudible) on scope services for the contractors of the (inaudible) has to be renegotiated.

Pipal: Also counsel and I met and discussed conflict of interest issues because there have been some concerns about who could respond and who would have a conflict of interest and we kind of discussed the process that we could go through that insured that we dealt with – that we had a good process in place for submitting conflicts of interests as well as how we would want to proceed with conflicts of interests through a legal process. So we are not unduly putting anybody through something, but we are very upfront and transparent about how we deal with those issues. When we have an example we will walk through it. Any questions?

15. Project Manager’s Report (Ford):

Ford: I don’t have anything else to add unless you have questions for me.

Basalone: Not a question but just an observation. We were talking about the new bank building and yet we did not have the equity in them referenced in our budget. Should those bank buildings be in our budget as an equity item?

Borton: I think you are making reference to the balance sheet verses the budget? We tried to take the equity value as an asset of MDC (inaudible) to the balance sheet you (inaudible) the use and the limitation of that is not budgeted.

Ford: It was shown in the audit.

Basalone: Okay, I just haven’t seen the audit.

Ford: That is all on the website.

Pipal: Anything else?

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

17. Adjourn the Meeting:

Bird: I move we adjourn.

Jensen: Second.

Pipal: All in favor say aye. Opposed same sign.

ALL AYES. MOTION CARRIED.

(AUDIO ON FILE OF THESE PROCEEDINGS)

APPROVED:

JULIE PIPAL, CHAIR

DATE ____/____/____