

MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Parnell Memorial Library
Minutes

February 24, 2014
4:00 p.m.

Members Present: Dee Woodham, Reed Prince, DeAnna Smith
Members Absent: None
Staff Present: Susan Hayes, David Hunke, Chris Hershey, Regina Ashmore
Others Present: Mayor Hollie Cost, City of Montevallo; Rick Haley, Bree Holland, Caitlyn Terry all of Sellers, Richardson, Holman & West, LLC

The meeting was called to order by Chairman Dee Woodham at approximately 4:00 p.m.

Chairman Woodham introduced Rick Haley, Bree Holland, and Caitlyn Terry of Sellers, Richardson, Holman & West, LLC to discuss the **audit** performed on the MDCD financials. Mr. Haley noted that there were no material weaknesses observed in the policies and procedures. He stated the audit was not designed to identify fraud, only to go through the policies and procedures and they found no deficiencies. The bound financial statement and supplementary information was distributed among Board members. Mr. Haley stated it was a clean report. The firm did determine during the audit that the Board was not an “enterprise fund”, it was considered “other governmental fund” and the financial analysis was presented that way. Chairman Woodham asked if the City could reconcile against the report. Mr. Haley stated that, yes, any member of the Board could reconcile against this audit report. Page 10 of the report outlined the payout of all three entities that make up the Board.

Ms. Hayes stated that she was looking into the cost of **software** that would enable her to keep better records in the future. She noted she was currently using QuickBooks. Mayor Cost suggested that Ms. Hayes contact Ms. Raymond at City Hall about having a license added for the Board to use the City’s EnCode software. Mr. Haley stated that only MDCD-owned property improvements would show up in the financials as capital projects. The firm noted that Ms. Hayes had done a great job. Ms. Hayes said she would reconcile expenditures to date to ascertain the budget available to spend.

Mr. Haley stated that the **ALDOT grant** for road improvements should be held and maintained through the City of Montevallo. If funds become too high, an A-133 would be required. Mr. Haley said that audits would become more expensive in future years. Ms. Hayes will pay the architect, Barge, Waggoner, by check. Barge has received eight payments to date. ADLOT will reimburse 80 percent of previous payments. Ms. Hayes will ask for a PDF copy of the audit for

MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Parnell Memorial Library
Minutes

recordkeeping purposes. She will also maintain records as to who requests copies. The audit team, Rick Haley, Bree Holland, and Caitlyn Terry, left the meeting at 4:32 pm.

The Board discussed how to handle external requests for minutes of meetings. Mayor Cost stated the City would be happy to post to its webpage. Ms. Ashmore was asked to forward all copies of approved minutes to Ms. Byrd at the City of Montevallo.

Ms. Hayes will provide monthly project schedules to state budgeted expenditures compared to actual expenditures, by project. She noted that the work completed on **UMoM** and **Promenade** projects were both over budget. The funds expended on the **Promenade** by the MDCD totaled \$896,000. Ms. Hayes also stated that the monthly tax revenues have averaged approximately \$34,500 for the past four months (October 1, 2013 through January 2014). The monthly bond payment is \$31,932. Monthly tax revenues are currently sufficient to cover monthly bond payments.

Mayor Cost stated that the City has identified several needs. She suggested that the Board could shift money allocated for paving projects to cover other project needs. **Middle Street** has been identified as having traffic flow issues. The lighting at **Orr Park** is a safety issue that needs to be addressed as soon as possible. The City Council was interested in purchasing the **Victory Building** for \$400,000. Mayor Cost stated that the Board needed good numbers to make good decisions. Ms. Hayes stated the highest expense was for the **Promenade** project. The Board has paid the **American Village** \$100,000 since October 1, 2013. Mayor Cost stated that she had been in contact with Turner, Batson about performing an environmental assessment on the **Victory Building**. The estimate given was \$2,000. Ms. Smith asked that Mayor Cost request the level of report to ensure a warranty.

Mayor Cost stated that the City intended to have a conversation with the Booster Club concerning the lighting at **Orr Park**. Mr. Prince advised Mayor Cost of the need to discuss the issue soon as there are time constraints on contractor bids. Mr. Prince also stated a more accurate estimate for the assessment would be in the \$5,000 range.

Mayor Cost left the meeting at 4:55 pm.

Ms. Hayes said that the Board had a total of approximately #3.6 million available to pay for upcoming projects from the bond fund. Chairman Woodham asked Ms. Hayes to give the Board

MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Parnell Memorial Library
Minutes

an estimated time to receive the revised numbers. Ms. Hayes stated she would try to have it prepared by the end of the week.

Chairman Woodham clarified for the Board the proposed **City Hall** renovation project. Renovate 6,000 sf. of the **Victory property** then relocate the current **City Hall** offices into the space. Once the current **City Hall** is vacated, renovate it and relocate the Police Station into the renovated space. There are no places for the current Police Station building once vacated.

Chairman Woodham stated that Mayor Cost estimated the purchase price for the **Victory Building** had been reduced to \$400,000 and the estimated renovation for the 6,000 square foot building will cost approximately \$100 per square foot. Mr. Prince stated that number will likely be a little higher; perhaps as much as \$125 per square foot for renovations and the costs for the overall improvements may be closer to \$1.3 million. She also stated that if they purchased the **Victory Building**, they planned to move the Police Department into the existing City Hall. The overall costs to do everything would cost somewhere around \$1.2 million. A contingency should be in place for overages. Chairman Woodham stated that the City Council did not want to buy the **Victory Building** without including the vacant lot across the street. She asked if not the **Victory Building**, then what should the City do. Something must be done. The cost estimates for Plan A and Plan B were very close. Ms. Smith stated that the **way finding signage** could be done at a later date. Chairman Woodham stated that the **Orr Park lighting** had to be done. Ms. Smith asked if Mr. Dudchock could find additional funds to cover the cost overages on the fields like the University did. Chairman Woodham stated that someone would need to be hired to plan and make trails at the **Mahler property** and suggested that perhaps the Board could obtain grant funding for the trails.

Ms. Smith made a motion to approve the environmental study of the **Victory Building** between \$5,000 and \$6,000 from the City Hall project as an investigatory expense. If the purchase did not proceed, the expense could then be allocated instead to contingency funding. Mr. Prince seconded the motion. The motion was approved unanimously with a three to zero vote.

Chairman Woodham asked if she should forward the **Hotel Feasibility Study** to the consultant for feedback. Ms. Smith stated that if Chairman Woodham did send it to IHC she should remind him to keep the information confidential and advise him not to discuss it with any potential hotel contacts.

**MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Parnell Memorial Library
Minutes**

Mr. Prince made a motion to approve the **minutes** of the December 20, 2013 meeting. Ms. Smith seconded the motion. The motion was approved unanimously with a three to zero vote.

Chairman Woodham asked for an update on the **restaurant proposal** and made a motion to enter **Executive Session** for the purpose of discussing the status of negotiations with a prospective restaurant operator. She said the Board would reconvene its regular meeting at the conclusion of the **Executive Session** and the session should last for a few minutes. Mr. Prince seconded the motion. The motion was approved by all with a three to zero vote.

As there was no further business, the meeting was **adjourned** by Chairman Woodham at 5:18 p.m.