

Minutes of the **Regular Meeting** of the **Board of Directors of the Redevelopment Agency** of Riverdale City held **Tuesday, June 7, 2005**, at 9:00 p.m. at the Riverdale Civic Center.

Members Present: Bruce Burrows, Chairman
 Nancy Brough
 Stan Hadden
 Stacey Haws
 David Gibby
 Shelly Jenkins

Others Present: Larry Hansen, Executive Director
 Stevin Brooks, City Attorney
 Cindi Mansell, City Recorder

Chairman Burrows called the meeting to order and welcomed all those present.

Consideration of Meeting Minutes

Chairman Burrows stated the Board has before them the regular meeting minutes of May 17, 2005.

Fund Balance Allocation & Loan Program Summary Report

Mr. Hansen referenced the Fund Balance Allocation & Loan Program Summary Report as of April 30, 2005. He stated the only changes in this report are expenditures associated with ongoing payments to developers on agreements during the month. He explained staff has had correspondence to Rocky Mountain LLC, who has responsibility to complete minor work in order to receive their \$250,000 payment.

Mr. Hansen discussed the housing summary, and the amount that has been drawn out of the bond proceeds. He stated he is expecting a fairly large payment request for the June 21, 2005 meeting. He explained if this payment request does not completely deplete the funds, it may require a budget amendment.

Mr. Hansen further referenced the loan program, stating he is now receiving administrative support on disbursements; which has proven very helpful. He stated the Senior Facility column lists numbers as far as revenues and income; as well as amounts disbursed which far exceed the \$850,000. He discussed the current progress of acquiring Senior Facility furnishings and equipment to provide for the common areas; stating the apartment areas will be individually furnished. Mr. Hansen stated funding to provide for this purpose was transferred from Capital Projects to the RDA in the prior year budget.

Mrs. Brough inquired if these types of expenditures are considered appropriate use of RDA funds. Mr. Hansen explained the methodology revolves around utilization of the facility in a broader sense; or for the community at-large. He stated it is not unusual for a facility to have common areas for lounging, as well as different items to provide for the tenants.

Inquiry was raised as to rental of the housing units. Mr. Hansen stated all two-bedroom units are rented; the two required handicap rooms are not and are typically more difficult to rent. He stated there are some one-bedroom units available. Mrs. Brough inquired as to concern with being able to rent the units; and Mr. Hansen stated advertising has been stepped up to complete the rentals. He stated he is optimistic that once the center is open; the facility will become full.

Motion: Mr. Haws moved to approve the consent items as proposed. Mr. Gibby seconded the motion. The motion passed unanimously.

Consideration of Proposed Amendments to the FY 2004-2005 Budget

Public Hearing

Chairman Burrows called the Hearing to order at 9:11 p.m. He explained the purpose of this hearing is to receive and consider public comment regarding any proposed amendments to the current Fiscal Year 2004-2005 RDA Budget. Chairman Burrows affirmed that he had proof of publication and the hearing had been properly noticed.

Mr. Hansen stated the same amendment process will be utilized for both the RDA and City budget process. He stated if there are necessary amendments, the actual resolution for amendment will be presented for adoption at the June 21, 2005 regular meeting.

Motion There being no public comment, Mr. Gibby moved to close the public hearing. Seconded by Mr. Haws. The motion passed unanimously. The hearing closed at approximately 9:11 p.m.

Proposed FY2006 Budget

Public Hearing

Chairman Burrows called the Hearing to order at 9:12 p.m. He explained the purpose of this hearing is to receive and consider public comment regarding the proposed FY2005-2006 Budget. Chairman Burrows affirmed that he had proof of publication and the hearing had been properly noticed.

Motion There being no public comment, Mr. Gibby moved to close the public hearing. Seconded by Mr. Haws. The motion passed unanimously. The hearing closed at approximately 9:12 p.m.

Senior Housing Facility

Mr. Hansen explained staff has conducted weekly meetings with Kier and Chong to go over issues; and discussion regarding proposed Change Orders has been ongoing for months. He stated he received a strange letter this afternoon from Project Manager, Richard Wolthius, indicating he is under increasing pressure to resolve the proposed Change Orders. He stated Kier now feels they are hanging themselves out in proceeding to build the facility with the changes that are going to be necessary and should be resolved. Mr. Hansen explained there is a great deal of finger pointing going on, and the letter also indicated Mr. Wolthius' disappointment that no official decision has been reached regarding outstanding Change Orders.

Mr. Hansen stated one Change Order of particular importance involves the smoke detectors; which could seriously impact the completion of building. He stated this issue involves lack of coordination and communication in the location of the smoke detectors; and if not corrected, could become a public safety issue. He stated this involves Change Order #75 in the amount of \$2,308.68. He stated the outstanding Change Orders that have not been approved continue to delay the project as well as accrue additional charges.

For the Board's information, Mr. Hansen then read his letter of response to Mr. Wolthius. He explained approximately ten days ago he met with Richard Chong and reviewed the outstanding pages of proposed Change Orders. He stated Mr. Chong feels that some of the Change Orders are of benefit to the City so they should pay; and that some should be retracted because they do not make sense. Mr. Chong had indicated he would get with Kier; and go through the Change Orders to determine agreement. Mr. Hansen clarified there were steps outlined to be followed for proper and expeditious resolution of these serious issues. He stated the Change Orders involve less than \$100,000 in relation to the \$3.4-\$3.5 million dollar contract. He stated he is not willing to make concessions to items that have not had discussion.

Mrs. Jenkins stated she would like to request a copy of the listing from Richard Chong; in effort to obtain an idea as to the items being disputed on the proposed Change Orders.

Mr. Hansen stated he would suggest a good faith response to go ahead and pay Kier, so they are not on the hook for delays at this point. Inquiry was raised as to why these types of disputes (such as the smoke detectors) were not picked up by the City Inspector during the inspection process. Mr. Hansen stated they were supposedly engineered and designed correctly; and the problem appears to be something within interpretation of the design and construction documents.

Motion: Mrs. Brough moved to approve the proposed Change Order #75 in the amount of \$2,308.68 as requested. Seconded by Mr. Gibby.

Roll Call Vote: Mrs. Jenkins, Yes; Mr. Hadden, Yes; Mrs. Brough, Yes; Mr. Gibby, Yes; and Mr. Haws, Yes. The motion passed unanimously.

Proposed Agreements between the RDA & Jonnalyne Walker

Mr. Hansen referenced the proposed agreements with RDA Consultant Jonnalyne Walker. He explained there are two agreements: (1) covering the current time period of May 1, 2004 to June 30, 2005; and (2) July 1, 2005 to June 30, 2005. He explained Ms. Walker has had her personal tax advisor request her to formally establish her arrangement with the Riverdale RDA by agreement. Mr. Hansen stated her services are necessary in dealing with RDA issues. He stated the rate of pay is the same as the Board has been paying for some time; and staff only utilizes the services for necessary hours on specific issues.

Discussion followed regarding the hourly rate of \$80; with inquiry being raised as to estimated annual outlay. Mr. Hansen stated he would estimate between \$5,000 - \$7,000; possibly because of the amount of work associated with the recreation increment. He

stated there are ongoing issues with the County Clerk's office; and the same amount could just as easily be spent in the coming year. He stated there is the potential legislative audit coming up as well; and Ms. Walker will work with Mr. Fortie in this process.

Mr. Hansen explained Ms. Walker has never had a formal agreement, and has just performed on call at an hourly basis. He stated she merely needs to establish her relationship as an independent contractor.

Motion: Mr. Gibby moved to approve both agreements as proposed (2004-2005 & 2005-2006) between the RDA and independent contractor, Jonnalyne Walker. Seconded by Mrs. Brough. The motion passed unanimously.

With no other business to come before the Board at this time Mr. Gibby moved to adjourn the meeting. Seconded by Mrs. Jenkins. The motion passed unanimously. The meeting adjourned at approximately 9:48 p.m.

Attest:

Approved July 19, 2005

Larry Hansen
Executive Director

Bruce Burrows
Chairman