



# FINANCE COMMITTEE MEETING FEBRUARY 18, 2010 COMPASS CONFERENCE ROOM MERIDIAN, IDAHO

## \*\* MINUTES \*\*

**ATTENDEES:** Rebecca Arnold, Commissioner, Ada County Highway District, **Vice Chair**  
Phil Bandy, Mayor, City of Eagle, **Chair**  
Elaine Clegg, Councilwoman, City of Boise  
Bryce Millar, Commissioner, Nampa Highway District  
Garret Nancolas, Mayor, City Caldwell, via telephone  
Steve Rule, Commissioner, Canyon County  
Vicki Thurber, Mayor, City of Middleton

**OTHERS PRESENT:** Nancy Brecks, Community Planning Association  
Keith Holmes, Community Planning Association  
Matt Stoll, Community Planning Association  
Jeanne Urlezaga, Community Planning Association

### CALL TO ORDER

Chair Bandy called the meeting to order at 12:07 p.m.

### AGENDA ADDITIONS/CHANGES

Matt Stoll requested to amend the order of the Agenda Items under Information/Discussion allowing time to finish the more important items in case Matt needs to leave the meeting early, as follows:

- Item A - Executive Session under Idaho Code 67-2345 (C) to allow discussion regarding properties that are privately held;
- Item B – Review Projected Revenue and Expenses for FY2011 through FY2015;
- Item C - Review FY2011 & 2012 Unified Planning Work Program and Budget Development Process and Time;
- Item D - Status Report – Staffing Changes; and
- Item E – Review 2010 General and Special Membership Dues Received to Date.

**Elaine Clegg moved and Rebecca Arnold seconded approval of the amended Agenda as presented. Motion passed unanimously.**

### OPEN DISCUSSION/ANNOUNCEMENTS

None.

## **CONSENT AGENDA**

### **A. Approve December 15, 2009, Finance Committee Meeting Minutes**

**Rebecca Arnold moved and Elaine Clegg seconded approval of the Consent Agenda as presented. Motion passed unanimously.**

## **ACTION ITEMS**

### **A. Elect Chair and Vice Chair**

**Garret Nancolas moved and Steve Rule seconded to elect the officers as presently constituted: Phil Bandy as Chair and Rebecca Arnold as Vice Chair. Motion passed unanimously.**

### **B. Approve Variance Report: October 1, 2009 – December 31, 2009**

Jeanne Urlezaga reviewed the Variance Report: October 1, 2009 – December 31, 2009. The year-to-date total workdays are on budget at 24%. Total dollars expended are 15% of budget.

After discussion, **Elaine Clegg moved and Rebecca Arnold seconded approval of the Variance Report as presented. Motion passed unanimously.**

## **INFORMATION/DISCUSSION ITEMS**

### **A. Executive Session – Idaho Code 67-2345 (c)**

**Elaine Clegg moved and Steve Rule seconded to move into Executive Session pursuant to Idaho Code 67-2345 (c) at 12:20 pm.**

**Matt Stoll called role. The following Finance Committee members were in attendance and voted in the affirmative to move into Executive Session: Rebecca Arnold, Phil Bandy, Elaine Clegg, Bryce Millar, Garret Nancolas, Steve Rule and Vicki Thurber. There were no nay votes. Motion passed unanimously.**

**The meeting moved back into regular session at 12:40 pm. Chair Bandy stated that no decisions were made in Executive Session. Discussion was had regarding building sites.**

Matt Stoll stated that at this time, it would be premature to say which site was preferred. Staff will present the three locations with detailed costs at a later date. The third site is a publicly held site owned by the Meridian Development Corporation on 2<sup>nd</sup> and Broadway in Meridian, previously known as the HUB. Meridian Development Corporation is interested in having COMPASS and Valley Regional Transit at the site.

The Executive Committee felt that the per square cost for just COMPASS and even with VRT is too high given the economic development potential that would be brought to the table by having COMPASS and VRT as tenants.

Matt stated that Letters of Intent will go to the owners of all three proposed sites to determine their interest.

Garret Nancolas said that it is his opinion that the development at the Meridian Development Corporation site would be a huge economic boom for the existing area because of the transit oriented development that would most likely occur around it. From an urban renewal standpoint, the urban renewal agency should be motivated to, at least, match the square foot price of an existing structure, or even less because of the financial benefit gained by the development around it. Garret said he likes the site, there is value to it, but from a fiscal standpoint we need to see how low they will go.

Elaine Clegg said that she would encourage staff to get written confirmation that COMPASS would have dedicated parking at the Meridian Development Corporation site.

Elaine asked staff to determine how many jobs would be generated with new construction at the Meridian Development Corporation site, and how many would be generated with tenant improvements on the other sites.

Matt replied that Colliers is generating the information on the Meridian Development Corporation site and Matt will have them generate it for tenant improvements as well.

Matt stated that Colliers will present the additional detail to the Executive Committee at the March 16, 2010 meeting.

## **B. Review Projected Revenues and Expenses for FY2011-2015**

Matt Stoll presented projected revenues and expenses for FY2011-2015 based on:

- Estimated upcoming projects;
- Anticipated expenses;
- Dues for the next five years based on existing 2010 dues levels;
- No anticipated change in the Consolidated Planning Grant;
- Estimated revenues that we will be receiving from STP-Urban dollars for the Household Survey in FY2011 and 2012;
- Estimated revenue that will be coming in for the on-board transit survey in FY2014 and the Communities in Motion update; and
- Salary needs based on 19 staff members.

Starting in FY2011 through FY2015 expenses will exceed revenues, which is attributable to the continuing stagnant economy and that health care costs will increase 10% per year. There will also be an increase to the employer for PERSI starting in FY2011 and escalating through FY2013. In FY2011-2015, direct dollars for a major update to *Communities in Motion* are only identified in 2014, which can have an impact on the bottom line.

The net result is the revenues are not keeping up with expenses. With the exception of the *Communities in Motion* plan, it is a very bare bone budget. Matt said that any additional reductions would require cutting expenses and reducing services, and outlined seven possible options that could be implemented to cover the revenue shortfalls. Matt noted it will take a combination of 1, 2, and 5 to meet the shortfall in FY2011.

1. Eliminate direct expenses for CIM update until further funding is available.
2. Use projected Fund Balance surplus for FY2011.
3. Increase membership dues to cover funding shortfall and retain proposed expenses.
4. Re-instate off-the-top STP-TMA funds starting in FY2011 or FY2012.
5. Use rescission set-aside funds for FY2011 and the remaining shortfall in FY2012.
6. Eliminate legislative consulting direct expenses.
7. Reduce number of positions from 19 to 17.

Matt said that starting in FY2012, there needs to be a serious discussion about what needs to be done to deal with the projected shortfalls. Matt reviewed the rationale for re-instating the STP funds, which were phased out based on the assumption that membership dues would continue to increase, but because of the economy they have not.

Matt reviewed the impact on the budget shortfalls if the membership dues were increased across the board based on the assumptions of:

- 2.7% population increase per year
- Population for FY2011 used 2010 Estimates
- In FY2011 through FY2015, dollar amounts for Association of Canyon County Highway Districts assumes full payment
- Dues distribution is based on the Board established formula

Matt stated that staff recommendation is:

- Cutting back direct expenses for the CIM update.
- Re-establish the off-the-top STP funds.
- No membership dues increase until the economy improves.

After discussion, Elaine Clegg asked if there would be savings by hiring a temporary, full-time staff person for two years instead of a consultant for the 2011 Household Travel Survey. Matt replied that staff will check on that and report back at the next Finance Committee meeting.

After discussion, Matt stated that staff will determine a marker for when it would be appropriate to look at increasing the dues.

Garret Nancolas said he cautions reducing staff and recommended that we recognize, as we move towards becoming one Transportation Management Area, we are going to have a need for qualified, trained staff to stay on top of opportunities for grants and funding.

Matt noted that the Building Fund set aside for FY2011 is \$170,000 to get to the \$1 million goal. Starting in FY2012, the set aside for the annual \$110,000 lease will be reduced to \$25,000 for facility maintenance. Staff will compare how that fits into the estimated cost that Colliers has provided for each proposed building.

Matt said that staff is currently pursuing grants that will help with the shortfalls. What has been presented today is based on the worst case scenario. Staff will request action by the Finance Committee at its next meeting for Board approval.

**C. Review FY2011 and 2012 Unified Planning Work Program and Budget Development Process and Timeline**

Jeanne Urlezaga presented the FY2011 and 2012 Unified Planning Work Program and Budget development process and timeline.

Matt Stoll stated that staff's recommendation is to freeze dues at the FY2010 level until the new Census numbers come in.

Due to timing issues, a special meeting of the Finance Committee will be scheduled prior to the regularly scheduled meeting in May 2010 to review the details in a more in-depth manner.

**D. Status Report – Staffing Changes**

Matt Stoll reported that Ryan Head, COMPASS Assistant Planner, has taken a position with ACHD. Due to budget constraints, the position will not be filled at this time.

**E. Review 2010 General Special Membership Dues Received To Date**

Jeanne Urlezaga reported that all member dues are paid through 2<sup>nd</sup> quarter, except for BSU and Canyon Highway District.

**ADJOURNMENT:**

**Bryce Millar moved and Elaine Clegg seconded adjournment at 1:30 pm. Motion passed unanimously.**

**Dated this 13th day of May 2010.**

**Approved:**

**By: \_\_\_\_\_  
Rebecca Arnold, Chair**

**Attest:**

**By: \_\_\_\_\_  
Steve Rule, Vice Chair**