

**MONTEVALLO DEVELOPMENT COOPERATIVE DISTRICT
BOARD OF DIRECTORS MEETING
Montevallo City Hall
Minutes**

**Regular Meeting
May 11, 2021
1:00 p.m.**

Members Present: Reed Prince (Zoom), Mark Richard, Sonya Swords
Staff Present: Regina Ashmore, Susan Hayes (Zoom), Trey Gauntt (Zoom)
Others Present: Steve Gilbert, Lisa Shapiro, City of Montevallo; Facebook live-stream

The meeting was called to order at 1:02 pm by Chairman Prince. Mr. Richard, Ms. Swords and Chairman Prince were in attendance creating a quorum. A notice for this meeting was posted on April 28, 2021.

Mr. Richard made a motion to approve the minutes from the April 12, 2021 meeting. The motion was seconded by Ms. Swords. The motion was approved by a vote of three (3-0), with Mr. Richard, Ms. Swords and Chairman Prince voting in favor.

Chairman Prince asked for an update on outstanding projects. Mr. Gilbert stated Highway 25 Sidewalk project had been submitted to ALDOT for approval. The city is the lead for the project and will review all invoices prior to submission to the Board for reimbursement. Ms. Hayes stated that the appropriate representative authorizing payment should sign all invoices. Mr. Gilbert will sign as the city authorized representative and Mr. Gauntt will review and sign as the county authorized representative prior to submission to Ms. Hayes.

The paving project is complete. Mr. Gauntt is waiting for the final invoice from Shelby County Highway Department so the project can be closed out.

Mr. Gilbert stated the Dailey Park project was in the process of preparing for the installation of the restroom slab; however, the contractor is delayed due to the recent inclement weather. Mr. Gauntt requested the contractor notify him when the forms are placed so he can schedule the piping installation prior to the concrete pour.

Mr. Gilbert stated the city IT department was having difficulty obtaining equipment delaying the installation of security cameras at Shoal Creek Park. Mr. Gauntt stated the county construction crew still has the construction of two kiosks outstanding at this location, as well.

Ms. Swords informed the Board the water meter issue had been resolved at the Tavern and pocket park location and the tenant had been notified of the meter separation.

The Board discussed the current financial position. Ms. Hayes explained the city funding for the Board comes from ninety percent of a one-cent city sales tax. This income is deposited into the MDCD operating account. The difference between income received, and the monthly bond payment is tagged as city excess funds. The excess funds are used to pay administrative

expenses such as bank charges, utility bills, legal, audit, and insurance costs. At the end of each year, all member entities are billed one-third of administrative expenses. Note: Currently, per agreement between the City of Montevallo and MDCD, 50% of the Alabama Power electric Services invoices on Promenade area will be paid by the city. The remaining 50% will be allocated by all MDCD partners (1/3 each of the 50% MDCD portion). The total cash balance as of April 30, 2021 was \$936,345 that includes \$48,758 unexpended bond funds and \$625,840 committed (restricted) city excess funds. Committed city excess funds for the following projects: \$195,840 for Highway 25 Crosswalk and Phase IV paving; \$275,000 for Highway 25 sidewalk improvements; \$30,000 for Dailey Park restroom project and \$125,000 for Sims House, leaving a balance of \$131,184 unrestricted/uncommitted city excess funds. The Turner property rental income is set aside in a separate bank account for Turner property maintenance and expenses. Ms. Hayes suggested the Board expend the \$48,000 remaining bond funds this 2021 fiscal year.

The Board discussed what funds should be held in a bond reserve account for coverage of monthly bond payments in the event of a period of decreased city sales tax income to MDCD. Ms. Hayes stated general practice is to reserve up to one year of monthly bond payments. She further suggested the Board consider maintaining at least \$250,000 to \$300,000 as a reserve and the Board consider consolidating the existing bank accounts for simplification of cash balances. Ms. Hayes stated she could present a recommendation of simplification of bank accounts at the next MDCD board meeting for discussion.

Mr. Prince asked Ms. Swords if the city had finalized a process for expending funds. He stated that the Board was spending funds throughout the year on administrative expenses. He suggested the Board could prepare a budget for the administrative expenses and have the city council approve it. Ms. Swords stated the daily operating expenses are not of concern; the council wants to approve new projects that come forward. Mr. Prince stated that all project funded totally by the city originated with the city. The Board has never arbitrarily decided on a project and proceeded to spend city funds.

The Board discussed the unique design of the co-operative, how each entity has the option to participate in a project depending on the benefit of the improvement. The county participates in projects that increase lodging taxes; the university participates in projects that draw visitors such as event participants and student families; and the city has brought forward projects for the benefit of its citizens. Historically, when projects are voted on by the Board an agreement is drafted and signed by the Mayor, President of UM, and the County Manager.

The city is in control of the city money and that money cannot be spent without approval of the city. Mr. Prince stated that the Board must have legal authority from the city to expend any city funds. In the past, it was thought that an agreement signed by the mayor provided that authority. The current mayor/council need to determine the legal authority prior to future Board action on projects. The Board should have a plan in place that outlines exactly what is an authorized request and what documents a legal authority to vote and spend money. Mr. Gilbert stated

anyone could submit a request to the Board for improvements; Ms. Swords would then go the city council for approval prior to a vote.

Regarding the previously approved Hwy 25 Sidewalk Project expenses, Mr. Gilbert request that the County review the expense invoices for this project as they are received and Mr. Gauntt agreed to do that. Since the professional services contract for the design is between the City and Garver, the invoices will be received by the City approved by Mr. Gilbert and then emailed to Mr. Gauntt for review and signature and then sent to Ms. Hayes at the MDCD for payment. This will allow for both the MDCD and the County to document and track project expenses and allow a check and balance approach the same as previous projects which has seemed to work well.

Mr. Richards stated the Sims House had an expected completion date of the first quarter of 2022.

The Board discussed who had signatory rights on bank accounts. Ms. Hayes stated Chairman Prince and Mr. Richard were the authorized signers. If the Board wanted to make any changes, she would notify the bank to have the necessary documentation prepared and ready.

The next regularly scheduled meeting will be Monday, June 14, 2021 at 1:00 pm in the Council Chambers at Montevallo City Hall. The meeting will be streamed on Facebook live and the Zoom login will be provided for the meeting.

There being no further business, Mr. Richard made a motion to adjourn. The motion was seconded by Ms. Swords. The motion was approved by a unanimous vote of three (3-0), with Ms. Swords, Mr. Richard and Chairman Prince voting in favor, the meeting of May 11, 2021 was adjourned at 1:59 pm.

Regina Ashmore
Recording Secretary

Reed Prince, Chairman
Montevallo Development Cooperative District