

**CITY COUNCIL
EXECUTIVE SESSION MEETING
MINUTES**

December 15, 2009

1) PROPERTY NEGOTIATIONS

PB: ...walked away from this particular document. Am I right in thinking that the only cost to the City is the two thousand dollars? That's not \$288, 000.00?

PW: We own the property. We own it...yes.

LM: How can we buy this property until we knew what the financing was going to be? This Council has not agreed to the financial terms, okay, and you signed the document that this is done and we haven't agreed to how we're going to pay for that funding, that property. We haven't agreed to that.

PW: Right...you haven't agreed to the financing, but you did agree to the actual purchase of the property under your Resolution of last time.

LM: Right...but we have not agreed to this financing.

PW: Right...and you can...if you have different financing ideas, you can certainly change them around.

LM: I can't imagine...I would never go out and buy a house until I knew what the financing was going to be. It's an assumption we made...I made, to vote yes on that, because I assumed that you would come back and tell us what the financing...we agreed you can go negotiate, you can go and talk to them; here's what it will take to buy the property, I assumed you would come back to tell us what the financial arrangements are and it's signed and it's a done deal and we haven't even figured out how we're going to pay for this. That's just amazing.

PW: Well, we've gone over financing for the last three Exec sessions.

LM: Yeah...if you remember at the last session, I said, unless we can come up with a plan that that \$300,000.00 can be repaid, guaranteed within five years to the Historic Preservation Fund, I personally could not agree with going forward and I stated that clearly and so, you know, I can't trust, that's the thing. I trusted when I agreed to that Resolution, I trusted that that was going to be met before the document was signed and we don't have it. This thing that we have right here, says that, unless we decide to...the exact word...to readjust it and change the balloon payment and everything, there's no guarantee for their Historic Preservation Fund, and that...

PW: You can take that out if you like, take that sentence out.

LM: We're going to have to look at this very closely. I don't want to do this behind closed doors anymore, because I don't think it's fair to the public that we make all these decisions and it comes through this little Resolution that, you know, one page Resolution, no discussion with the public and we said yes to the printing and I trusted what we discussed in that Executive Session was going to be put in place and I shouldn't have trusted....anyway...

PB: Well, it's no one's fault that I missed that last two meetings. I was gone so; I missed one or two of these Executive meetings. So that everyone knows here, I did not even think we would be borrowing the money from the HARC fund. Now, I like to put things out on the table, there's a power struggle going on here. And I understand why the HARC Commissioners are upset; I think you all do anyhow. They want to control the money...the money is under the control of the Council, that's the two entities involved here and I'm sitting on both horses. I'm thinking...what if something really happens in this town and we have a mini/minor disaster and we need that money for repair work or something on the exterior of these buildings, then where do we get the money? It's there now, it was designed for it. I must admit, I'm upset to come back and find this. I'm just being honest.

DS: Paul, I've got a problem too and that's this inter-fund borrowing. I'm trying to recall in years past, when we've done this and the first time was when we helped the Fire Department pay for a piece of equipment in 2000 and then the next time was in 2004. This Resolution 883, "A Resolution of the City of Jacksonville Authorizing an Interfund loan from the Water Operating Fund to Pay for Urban Renewal Streetscape Improvements." What was sticking in my mind, was with Interfund loans, is that it had to be paid off within the next year. This one refers to ORS 294. 460 and what is required, the principal, the interest and all that sort of thing, but it states that it needs to be paid off in one year and I haven't seen a copy of this ORS.

PW: Sandra has one. Basically, it caps it off at five years.

DW: Yeah...he's got about five years worth of balloon payments.

DS: So, that's the reason for the balloon payment, that under State law, this agreement has to be five years?

PW: Uh, correct...under State law, it does. The original reason was our own discussions actually, where we talked about not stretching this out forever, because we wanted to make, whatever fund we used, and we talked about the Water fund, we talked about the Public Safety Fund and this Council basically said that, no...you didn't want to use those you wanted to use the Historic Preservation Fund. So, even without the State law, we were still focusing on a five year balloon. But, yes, you're right, State law sort of fortifies that even further.

DS: So, then the language in this Resolution probably is okay, but the language reads as if one year is mandatory and has to be paid in the next budget year.

PW: That's been done quite frequently on small loans, because that's easy to do, but on a loan of this size, it's not. You can certainly do it within a year, but the State law allows you up to five.

LM: I think we need to decide what property we need to sell in the City in order to pay this off. We're going to have to put it on the market, it's not going to sell overnight, because of course, this isn't a real estate time. But, we are going to have to be able to sell that property so we can pay this off as soon as possible.

PW: I've recommended numerous properties and I don't recommend to put them on the market now, because this is not the right time. But, you do have five years in which to structure and position yourself.

LM: Isn't it also true that it's illegal for a sitting Council to burden any subsequent Council, by passing on a debt without a specific mechanism and schedule for payment?

PW: Which is what we got with this agreement.

LM: Well, not if we say it can be extended.

PW: Take that sentence about extension out, that's fine, but I agree with you, I've been advocating to have an asset management plan that looks at all of these pieces, but there's been discussion about, well, we'll look at that a little later so it's how you want to deal with it.

LM: We can't look at it later...if we've committed to this and this is what we're going to do, and that's what the Council decides. Then we have to figure out how we're going to pay, because absolutely, that has to be paid off in five years?

PW: Correct. It is a contract. It is a contract with yourself, but you still can't break it.

LM: I have another concern about using Urban Renewal Funds. I went through how much Urban Renewal has to pay. \$50,000,000 a year to the City, \$15,000,000, (not a year), to the Streets, \$141,000,000 to ODOT annually for the next two decades or something and I looked at what the revenue is for Urban Renewal, even if it gives us a span and I don't see how it's going to pay for this? So, that's an issue in itself, now, they can only pay 30%, so they pay \$90,000,000, if the money can be found, that leaves us with \$210,000,000 to pay by the end of five years and I don't want to leave here tonight, until we know how that's going to be paid and we have to come up with a plan for this.

PW: That's fine, like I said; I've made different proposals before if you wish to do that, you can, but yes, your contract lays out what you're balloon payment will be. It lays the cap out as to what Urban Renewal can pay for; the 30% and you've got a structure here if you want to have all your formal positioning for your pay-off done tonight, you can, that's certainly you're discretion.

LM: I think it's our responsibility. I'm not saying we have to decide tonight, but I'm not going to agree to this until we know that that \$300,000.00 or now 320...

PW: My suggestion is 320. 300 is what we talked about last time.

LM: When we even talked about borrowing from them, we said that that would be paid back in five years. In which case, it's a win=win because they are getting 3% of the money and they are not going to dip into that amount...the amount that they are giving out right now, the \$298,000.00 still sitting there.

PW: If you recall, their recommendation was no more than \$25,000.00 a year so, over a five year period, the maximum that they would use is 125.

LM: So, they come out ahead if we do it in the five year time period, but we have to respect also the people that left their money to the City. I'll tell you, if I see a City that I left money for Historic Preservation and they are going to be using it to buy property, boy I would stay clear of ever leaving money to that City, because I see what they do with it.

PW: If it was an expense, you're correct. But, again, you have to look at it as an actual return on an investment.

PB: Well, that's true, but there are some esoteric legalisms going on here Paul. Unfortunately, I am reminded of the time when someone left a City, specifically Shady Cove, a piece of property that was to be used only as a park. But, the City found a way around it to trade that for another piece of property where they built their park and the prime piece of property became a big hotel, and it sits there on the corner, you'll pass it when you go out that way. That's how Government gets the concept of being corrupt and I don't want our body to be looked at this way. I didn't realize this was being finalized, I'm sorry, that's my fault, I don't blame you for that, or anybody.

CG: I agree with some of the statements, I'm a little bit disappointed in myself, um, I looked at the piece of property and thought that it would resolve some issues, and that it was financially possible, I still think it's feasible. I think the thing that I'm this bothered with, my actions, the fact that we didn't get public input and I know there was something of a rush, but I will do my best not to let that happen again.

BG: We have the resources to pay for this, and as Paul said, I wouldn't recommend that we sell any properties that we own right now, simply because the markets not there. It's a good buyer's market, which is what we took advantage of in buying this property, but it's certainly not a good seller's market. So, I'm not as concerned... we're not taking the money from HARC, we're basically investing the money and they are getting 3% back, whereas, they would have gotten 1%. So, I'm okay with that, I don't have any guilt or remorse about it. It's a five year payment, and so they're going to get their money back in five years. We've got the resources, that in the next five years the economy, unless it continues to go this way, and even if it did, we still have the money from selling off the properties at bargain basement prices, that would pay this off. So, I'm not too concerned about paying this off in five years. I'm not concerned that HARC is being deprived of anything, I don't think they are; I think they're actually getting a pretty good deal, it's a win=win situation. But, we're getting the property that we need as continuous to property we have, at basically a bargain basement price. It was \$300,000.00 by our assessment, and we got it for \$288,000.00 so, I don't think the City lost anything, I don't think you have anything to be feeling guilty about or ashamed about. I think all of these things we've talked about, we've talked about repeatedly. We've talked about 3%, we've talked about the balloon, and we've talked about the total amount of the property cost, at least three meetings, as Paul said. The one thing we didn't do is do a Study Session on the public and probably the sellers weren't really

waiting to see it go through in this discussion. They were motivated to sell; they needed to close out their estate. I agree it would have been nice to do Study Sessions on all of this stuff, but in this particular case, that wasn't going to be an option. So, I don't think the Council has anything to feel guilty about; we've got the resources right now, even if we liquidated right now, to pay this amount off. It would be a hardship because it's just not a good time to sell. But, we could do it if we chose to do so. I don't think we've done anything to harm the City, or harm the Council by these actions.

PB: Well, first, I agree with Linda on taking out that whole stuff about not vacations in the future and all that adjustment stuff. That helps. What are the possibilities of further guaranteeing this loan? I don't like going into a new Council session in five years, that's a problem I particularly have is that Council's change, this one changed from the last one.

BG: It will change next year.

PB: That's true; I don't have to wait five years. What are the chances of getting a further guarantee on this loan from HARC? That the first City properties sold, the money from those sales goes off to pay on the loan, whenever that occurs within the five year period.

PW: You can write something like that into the agreement and you can say there is no pre-payment penalty.

PB: That way I would feel a little more comfortable at least. Council's come and go and Council's change things. If you put that in there, it's pretty black and white. It's a further guarantee, I realize as a City that we shouldn't have to guarantee a loan that we making, but there are City's that are having trouble even with their guarantee's these days and that can happen to us. If times are as tight as I'm hearing, we probably won't be selling any property anyhow, but I'll be more comfortable having any of the documents.

CG: It might ease some of the tension with HARC.

BG: So, what do you want to say and where do you want to say it?

PB: Now you want me to speak intelligently and I don't know how to say what I just said.

DW: Make sure you're a politician.

PB: What I want to say is something to the effect that within this five year time frame, funds or proceeds from any sale of City owned properties are to be used first to pay off this loan with no pre-payment penalty.

BG: So, if there were a surplus, then that would go back into the General Fund.

PB: Any surplus would go back into the General Fund.

BG: Do you want to restrict it to the General Fund or you just...

PB: Not particularly.

CG: I think it should go to the Park.

DW: Restrict it to the General Fund.

PB: I could make points with David and say I want it to go to the Police Department.

LM: There is something to think about...if a portion of the Watershed sells, then with that money will need to go to the Dam and Spillways issue so; I'm just bringing that up....

BG: That's my concern as well by saying that the first property, regardless.

LM: I just say that if you say that within five years it will be paid off.

PB: I'm not satisfied with though, because we could wind up selling property and just ignore that thing and I want that money to go back. And Chris is right, it really will placate most of the Commissioners and it should.

BG: Okay, so let's take that scenario and the point that Linda's bringing up and let's say that we sell a portion of the Watershed property, get the 40 acres from MRA and get the working capital, by this proposal, then all of that money would go towards paying off that note and you still are left with having to do something with the Dam and Spillway.

PB: All right, can we make an exception for just the Dam and the Spillway? Because legally I think we're going to be bound to do something there anyhow. I don't have a problem with that.

LM: Now the Fire Department collapses and burns.

PB: I won't go there. That's my problem with the HARC money, what if one of these buildings collapses?

BG: See, now that's not HARC's purview, those are privately owned buildings

PB: Well, that's true.

BG: The most that HARC could do is to be to offer, if they continue to do as they have done in the past, a matching grant. So, if an earthquake hit and destroyed all of downtown, the City is not...hopefully they are all insured.

PB: Well, we're not in business anyway as a City.

BG: So, I'm not sure that's a good analogy.

LM: I understand where you are heading; I'm not sure I totally agree with limiting us and that's why I'd like to say the five year cap so we're forced to do it, but I'm a little nervous about scenario's that might come up that we can't predict and we've got it in writing...

BG: The five years, from my perspective, is fair; it requires us to do something within that five year period.

PB: I'd prefer three if we're going to go that route. Five is an arbitrary number.

PW: It allows you to adjust for the market.

BG: As soon as you start putting those kinds of conditions on it and we have to do it in three and the economy hasn't fully recovered in three years, then we're screwed. But, if we have it at five and the economy recovers in two or three, then we can sell those pieces at a good price and pay off the note before that five year period of time.

PB: we're not committing to paying off the note by selling property here without some clause showing that. There's no commitment on the part of this Council at all.

BG: We're committed to paying off the note within a few years.

PB: Wherever the money comes from, but it has nothing to do with the sale of property as it stands now.

BG: So, why would you want to limit yourself to just the sale of property?

PB: I don't; that was just an addendum.

PW: Yeah...you might want to do a bond.

LM: Or wait until somebody else just donates them.

PW: You could do a bond, I mean; you might float a bond.

LM: For this?

PW: You could...sure.

DW: Uhm, hmm, yeah. *(Inaudible)*.

PW: What you've got is five years to figure out what you're going to do.

DW: Exactly.

PB: Yes...well, the Council's going to change as Bruce said next year, or Paul said, I forgot. I don't know what that Council's going...what they're priorities are going to be. They may very well say, "Look, it's a five year note...don't worry about it."

BG: Well, it will change next year and then two years after that.

PW: It is an obligation...*(Inaudible)*.

PB: I get leery of this.

PW: They can't ignore it; they can ignore it for a couple of years.

PB: They can ignore it for awhile; meanwhile they can sell property and do whatever they want.

LM: Can the next Council change that?

PW: The contract? No...well, they can modify it; perhaps some terms, but they are still...the clause in here...you can put a clause in and actually at the end of number three we have something along that line. We can take to word extension...you can say, "You cannot materially modify, revoke or terminate any rights granted under this agreement." You could revise that last sentence under three to prohibit any further modifications.

BG: (*Inaudible*)...about that?

PB: Run that by me again.

BG: Under agreement number three, last line; the sentence, and I think Linda was having problems with this, was any further extension of time for pay-off shall not operate to materially modify, revoke or terminate any rights granted under this agreement. You could change this to say there won't be...something to the effect that you can't materially change the agreement.

LM: To tell you the truth...I didn't even get that. I'm just being honest.

PW: Sure...if you take out the front phrase and replace it: "There shall be no material modification, revocation or termination of any rights granted under this agreement."

LM: What does that mean?

PW: In other words, you can't amend it.

PB: But, you have to go back further; you have to go back up to as modified in the future sort of an extension in time.

PW: You would also be taking that phrase out; taking out any modification.

LM: What about the rights previously granted?

PW: You take the words "previously" out and you just say, "There shall be no material modification, revocation or termination of any rights granted under this agreement." In other words, you can't amend it, period.

BG: Will that work for you?

PB: I guess it will. We own the property.

BG: So, that pretty much locks it down.

PB: If it's locked down and I know they're going to get the money back, yeah.

PW: If you're going to put a phrase like that in there, I recommend that you add, "There shall be no pre-payment penalty."

PB: That's fine; I like that; I might encourage pre-payment.

DW: Right, right, exactly.

PB: It's a good one, Paul.

BG: Would you be okay with that addition changes and not restrict it to the first property sold?

PB: Right. I'm okay with that.

LM: So, we have to come up to that other line now; "With first payment due, February 2011 for five years, or as modified in the future through an extension of time to corresponding adjustment of the balloon payment," right?

BG: Where are you at Linda?

LM: I'm still on number three.

PW: Yep...you would be scratching everything after the comma behind five years, to the next comma, so you would be basically jumping for five years up to a maximum of 30% of the total cost. So, you would take that phrase out that's between the commas.

LM: Okay.

PB: To a maximum of 30% of total consolidation costs?

PW: Right...that's out of the Urban Renewal Plan.

LM: And my next issue is that this talks all about consolidation of...(PB: *I don't understand*)...Public Facilities and I remember stating at that last Executive Session that one thing I didn't agree to on this property, was consolidation of the Public Facilities...(Inaudible).

BG: Is it in this agreement here?

LM: Yeah...it's all true here about consolidation and...

PW: Well, the reason that that's in there is because that's how the Urban Renewal Plan reads and so...

LM: But, I know how things get trapped; I know how...I know how, if I say, "Oh, I understand that's in the Urban Renewal that's the way we can tap it." But, what I don't want is to say, "So, you agreed to consolidation here so, it's a done thing, and you are committed." That's what worries me.

PW: That's fine...but, if you're going to use Urban Renewal Funds, you'll have to be tied to that.

LM: And I understand; that's one of my arguments. I didn't realize we would be doing this...in hidden doors again, behind closed doors.

PW: It's not hidden; it's actually a recorded document that we're referring to.

LM: It's a concern of mine, because I know how that traps people...

BG: I think we still need to go back and review the Urban Renewal Agreement and there were other changes that we discussed in the past about making. So, there's nothing to say that we can't go back and change those too.

LM: Paul told me this week if you try to change the Urban Renewal document, it's nearly impossible.

PW: No...it's not impossible...(LM: *I said nearly*)...it's a long process. If you change the Urban Renewal Plan, you have to have publicly noticed hearings that are noticed to all of the taxing districts affected, that's going to include Jackson County, Rogue Community College, the School Districts, etc., etc., etc. So, you have to hold hearings to amend the plan; now in all likelihood those agencies probably won't be concerned, but you have to go through the process under Urban Renewal Law to amend your plan if you're going to change something.

LM: But it also has the location...let me see...did it say the location...(Inaudible)...did it say where this is going to be? And of course, the ideal location, according to this, is over by Public Works so, even that in itself doesn't fit in with, um...

PW: Right...it isn't restricted to that location.

LM: "The optimum location for consolidated service will be around the Public Works Facility." So, we know why this was all written in here, because we know that people we're trying to get this all done. So, now that that's there, with the reviews, the part about consolidation, but we're not going to use the part about...

PW: This is the optimal, it does not say the "only."

LM: Yeah...I know...that's what I mean; every word matters.

DW: Yes it does.

LM: That's why I'm a little concerned about this word, "consolidation." I understand why you used it, but I'm just saying, there we are. Am I getting myself in a trap now the Fire Department's going to go over here too?

PW: If you wanted to delete that last...is that the only place where "consolidation" shows up?

BG: Line two, under recitals.

PB: Yeah...that line two is a rather important line in terms of the overall document

DW: Yes...that's the whole picture.

PB: That kind of blows it all up.

PW: Well, yeah...okay.

PB: It really does.

PW: If you were to take out the word, "consolidation," and re-phrase it however...

BG: And just eliminate line two?

PB: You don't need it, you don't need it.

LM: Well, because he's going to use Urban Reserve Funds to pay for it, you do.

PW: Right...you have to comply with the Urban Renewal Fund if you're using those monies. So, you can take it out of the agreement and that doesn't eliminate the obligation. But, it might eliminate you having to revise this agreement if you, later on, revised the Urban Renewal.

PB: Are we saying that this agreement is in violation of the Urban Renewal?

PW: It is not...(LM: No)...it is not as phrased so far. What Linda's striving for is, not locking herself into consolidation.

PB: Well, that's what I mean. If Urban Renewal's purpose, according to line two, is the objective of financing property for consolidation, then Urban Renewal is designed for that purpose and here we go, in another direction, through Urban Renewal without consolidating.

PW: Well, you're not heading in that direction yet, as far as I know. There's been no formal decision whether you're going to consolidate or not consolidate. However, you are planning to use Urban Renewal Funds, and if you are, you are subject...(PB: Oh, my God)...to whatever rules it says.

LM: That's because they put it in here, remember, it was the last Council that put that word in here.

PB: We just said; every word is important.

PW: It was actually two or three Council's ago. It was 2002.

LM: I should have said, "Previous." Anyway, I just pointed out where the....

BG: Can we take line two of recitals out?

PB: It won't change reality, but yes, take it out.

BG: So then, if we change the agreement down the road, we won't change this document as well. That leaves line one of the agreement.

CG: And three.

LM: If you try to get a loan from a bank, the City tries to get a loan from a bank, what is the going rate? Remind me again what the going rate is.

PW: David, what was the going rate again? (*Unidentified statement: 4.7*)

DT: It was 4 something.

PW: It was 4.75 I think; or something like that.

PB: I thought we were going to pursue that avenue. Why didn't we? It was too expensive?

PW: David presented all of those; I think you go three and the council expressed a desire to do internal financing. I think we did that in early October, roughly.

DW: Awhile back.

PB: But, there were financial institutions willing to pursue this?

DT: U. S. Bank and Sterling were the two.

PB: Sure would feel better that way.

LM: So, Urban Renewal does not let you purchase property, am I correct? It lets you...it could be used for the consolidation of City facilities, but in itself, it wouldn't let you purchase property? Am I...is that...no, I'm just asking. Otherwise on number one here, we really don't need, after Preservation Fund, we can put a period, unless you're saying that Urban Renewal...

PB: There we go again, with the purpose of consolidation.

PW: You can take it all out; if you really want to strip the agreement down to bare bones. Taking it out of the agreement doesn't remove the obligation, is what I'm saying; if you're using Urban Renewal money.

LM: Can I ask you...I don't even think that Urban Renewal is going to be able to pay for it with all the stuff it's got to pay. We have to lend it money; we have to extend it this year since we've been on Council so we can pay our debt and pay some money back to it. So, obviously, it's not thriving, so do we think that it's going to be able to handle it?

PW: I presented a series of progression figures over the years and remember we went through the bump when we got Bigham Knoll and all that stuff. Just on a general trend line, I am presuming, and it's a presumption, that we're roughly going to get about an additional \$30,000.00 next year in terms of additional tax increment revenues.

LM: We have that...we put that in our supplemental budget.

PW: Yeah...I think we did.

LM: Well, the previous years were really low. All except last year it bumped up a little and now we've bumped it up again. But, the actual showed \$165,000.00 for 2008, \$155,000.000 roughly, we put it at \$185,000.00 now for our budget.

PW: Right.

LM: If they pay us the \$50,000.00 and ODOT the \$141,000.00, we're already over the...now they have \$106,000.00 in their reserves, how long is that going to last?

PW: I don't have those figures. One of the recent ones I presented sort of trend on stuff, but again, I recite right off the top of my head, but it was somewhere around \$130,000.00 in the next taxable year. But, I'm sorry I don't have that right in front of me, so I can't really...

PB: Again, I missed it so, this is my problem, but what were the reasons for the Council to not want to pursue financing through a lending institution? Were they good solid reasons? I assume they were.

BG: We were going to pay someone else the interest rather than the City.

LM: We could make more for Historic Preservation and that made sense if we paid back though when we said we were going to pay them back so, we corrected that. So, to me they suddenly doubled their interest so, they shouldn't complain about that.

BG: We're running out of time. We're going to have to start our regular meeting in a few minutes. We've got some choices; obviously we haven't reached a decision about this; do we want to table?

PW: You can table it, but as Linda has already pointed out, you're sort of out there and how long you're going to want to go without a decision about financing is going to be a key issue. But, you're looking at, what...two weeks until you're next meeting. I don't think it's a "do or die" kind of thing.

PB: I would like to see this re-written the way we discussed.

BG: I'm suggesting that we go ahead and table these Resolutions until the January meeting, with the changes as we've discussed.

PW: And you'll make that decision when you get to them on your agenda. The other thing the staff would like is a little bit of feedback on the improvement values, because \$300,000.00 is going to be pretty tight and if we are going to bring back a nice clean agreement, we would like to be able to work with a solid number to use and again our recommendation is 320 to allow us to do the improvements.

LM: I'll just make a comment that when we were buying it for 288, and we said \$300,000.00 or about that to fix it up, everyone in the City knows that you cannot possibly accomplish that with \$12,000.00; it's going to cost to rip out the carpet so, now it's up to \$320,000.00 and that's a more honest figure and makes more sense for what it would take. That's not going to keep climbing right?

PW: No...I think David volunteered to remove the carpet himself.

LM: (*Jokingly*), you're not going to need \$12,000.00 right?

DT: (*Jokingly*), it's very extensive labor.

PB: I'd like to see an honest number, not a low-ball number so that this passes the City Council.

BG: I think the 320 is pretty honest.

PB: You think that's pretty honest. I don't know that...

BG: That's \$32,000.00.

PB: For \$32,000.00 you can't even get a bathroom built these days and they have a whole house to go over. If it's going to be a real Police Department, then I think David understands, even more than I do, the necessary construction, security and overall safety of this building.

BG: So, 340, 350?

PB: I would have rather he said something, but I would have at least thought of 340...I would have thought \$50,000.00...yes.

PW: We've got a conceptual layout, in a very general sense, we can take it to some contractors and say, okay, do this...what ballpark figure are we working with? It's not a formal bid.

BG: Are we good with up to \$350,000.00 subject to whatever recommendation...

CG: Where is the other \$50,000.00 going to come from?

PW: From the same place...you've got your Historic Preservation Fund.

CG: No.

PW: The other options are you're Public Safety Reserves, which obviously are very applicable to this

LM: Can we make the grounds park-like?

DT: They already are park-like.

LM: We're going to have three old buildings now. What if the roof goes, the plumbing goes...what do we do?

BG: We're going to have to find out the next time.

PB: Get the information and come back two weeks.

BG: We do have to adjourn this meeting, so we can start the next one.

LM: You needed an amount?

PW: Bruce suggested a cap that would be modified by some estimates.

DS: Why don't we just have somebody take a hard look at it and then talk about it?

BG: Okay, so, we're going to bring it back at the next Executive Session meeting in January. In the interim, we'll get a better figure on what the actual costs will be

LM: And then we should have a Real Estate lawyer or our lawyer, look over it for that finished thing and see if we've missed something.

PW: You want him to look at the agreement? Is that what you're saying?

PB: What do you want him to look at?

BG: Okay, we really need to adjourn this meeting.

PB: So, we cut it at 300 for now and the rest we'll decide on later.

BG: It's at 320 now.

PB: All right...whatever.