

**POCATELLO DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS MEETING**

**City Hall
Council Chambers**

**September 14, 1999
11:00 a.m.**

PRESENT Tom Bernasek, Steve Hotchkiss, Greg Anderson, Steve Brown,
J.O. Cotant, Darsi Johnson, Tami Smith, and John Ricks

ABSENT Karen McGee

STAFF Dean Tranmer, Ray Burstedt, and Char DeWall

The meeting was called to order at 11:00 a.m. Executive Director Burstedt conducted the meeting in Chairperson McGee's absence.

Ray welcomed John Ricks to the PDA Board of Commissioners. Guests at today's meeting were also introduced to the Board.

The Board was asked for disclosure of any conflicts of interest. Hearing none, the meeting continued.

The Commissioners were asked for any additions to, or deletions from, today's meeting agenda. Hearing none, the meeting continued as outlined.

ACTION ITEMS

Minutes for August 10: The Board was asked for approval of the August 10 minutes. A motion was received from Tom Bernasek to approve the minutes, with Greg Anderson seconding. The motion passed by unanimous approval.

Minutes for August 17: The minutes for the August 17 meeting were submitted for board approval. A motion to approve was received from Steve Hotchkiss. Tom Bernasek seconded the motion which passed unanimously.

Minutes for September 2: Approval for the minutes from the Special meeting held September 2 were presented for approval. Tom Bernasek moved to approve the minutes, with J.O. Cotant seconding the motion. Unanimous approval was received.

Financial Report—August Income and Expenses: Time was turned to Char for the financial report for the month of August. Those monies received from Bannock County in each of the districts were reviewed with the Commissioners.

It was noted that a payment of \$9,008.90 was made to Dave Hermanson, Varsity Square district, during the month of August but that check had not yet been cashed. None of the Board members had been contacted by Dave to dispute the amount of the payment.

A total of \$682,725.59 has been paid for the Convergys project in August. This leaves \$417,274.41 for payment toward future invoices. A payment to the Kress building of \$3,583.04 was also made during the month.

A table showing the balances in each district was reviewed with the Commissioners. The ending balance as of August 31 was \$1,464,740.89.

A motion was made by Steve Hotchkiss to accept the financial report as presented. Tom Bernasek seconded the motion, which carried by unanimous vote.

DISCUSSION AND UPDATE ITEMS

Review Administrative Fees Analysis

Copies of an analysis outlining the percentages of administrative fees available to the PDA Board, as well as an excess funds table were distributed. This analysis was requested by the Board at the August 17 meeting. The percentages (6-8-10%) were based on the total project costs in each of the current districts. It was noted that the Alvin Ricken district was approved at the time of its creation to have 10% (\$278,714) assessed for administrative costs.

Dean explained to the Commissioners that once a percentage of administrative fees are assessed to a district they are deposited into the general fund and become unrestricted monies which can be used for any allowable expense such as staff compensation, property acquisition, printing, postage, etc.

It was noted for the board that one year of debt service payments, as well as the required amount of reserve funds, have to be held by the Trustee in the four districts (Newtown, Old Town, Alvin Ricken Drive and North Main) which have bonds sold. The dollar amounts held by the Trustee in the Revenue Allocation Fund over this amount are considered excess funds and can be used for projects within the Central Corridor.

Further discussion: using City and BDC staff has helped keep costs down for the PDA; the administrative fees assessed each district would allow for unrestricted funds which the PDA could use for future projects; two years of compensation (\$25,000) is owed to BDC and the PDA has an obligation to pay those funds; concern that the City could come back on PDA and require reimbursement for services rendered...what was the agreement between the PDA and the City?

It was requested that a resolution be created by Dean outlining the need for administrative fees when creating districts in the future. This resolution should also include parameters for what administrative fees can and will be used for.

It was decided by the Commissioners to table this discussion until the October meeting to allow the members an opportunity to review the analysis further.

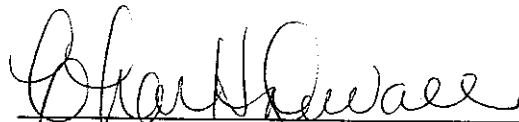
Central Corridor URA—Review Financing Options

Ray distributed and reviewed financial sheets (made a part of these minutes) showing the benefit of bonding for projects versus a pay-as-you-go option. The tables presented by Ray included a current debt service requirement for the next ten years on the four bonded districts, estimated revenue available in these four districts based on figures compiled by paid consultants when these bonds were sold, information on pay-as-you-go funds available for projects, outline of the new bond issue option, and a comparison between pay-as-you-go versus new bond issue. It was determined after reviewing these financial options that the PDA Board would save approximately \$2 million by issuing a new bond for approved projects in the Central Corridor versus the pay-as-you-go option.

Further discussion: bonding would allow the Board to move along with projects sooner than the pay-as-you-go option thereby locking in a lower interest rate; the Cheyenne Connector project and the engineering study for the Corridor are both urgent expenses for which funds will be needed immediately. Mayor Anderson reviewed the connector study which will be discussed at the City Council meeting (9/16/99). The matching funds (\$1.3 million) approved by the PDA will be needed to fund that study.

A motion was received from Greg Anderson to table this issue to allow the Board the opportunity to review these options as presented and discuss them at the October 12 meeting. A second to this motion was received from Tom Bernasek, which carried by unanimous vote.

A motion to adjourn the meeting was received from Tom Bernasek, with Greg Anderson seconding. The motion passed by unanimous vote and the meeting concluded at 12:25 p.m. The next scheduled meeting for the PDA Board of Commissioners is scheduled for **October 12, 1999**, at 11:00 a.m. in the City Hall Council Chambers.



Charlene H. DeWall
Secretary for the Meeting