

ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
Meeting November 13, 2001

Members present: G. Anderson, Steve Brown, Ron Frasure, Darsi Johnson, H. Neuhardt, J. Ricks, D. Schroeder

Staff present: D. Tranmer, City Attorney; R. Burstedt and C. DeWall, Bannock Development

1. Preliminary matters. The meeting was called to order at 11:03 by Chairman Neuhardt. No conflicts were declared. One addition to the agenda: R. Burstedt requested that an item be added for an update on the airport project.

2. Minutes and financial matters. It was MSC (**Ricks, Schroeder**) to approve the minutes from the October meeting. C. DeWall reported on the additional tax receipts and income from interest and the City's payment on the swimming pool loan. Expenses for the Central Corridor and other districts represent the funds forwarded to the Trustees for the various bonds; the swimming pool loan payments stay in the PDA's accounts because the loans were made from funds on hand, not from bond proceeds. Roosevelt expenses were for Rocky Mountain Engineering. Payment was also made for the third quarter BDC invoice and for lunch expenses. District ending balance sheets were distributed. It was MSC (**Anderson, Brown**) to approve the financial report.

3. Airport Project. R. Burstedt distributed copies of a memo and letter requesting an extension of the commitment to implement a Revenue Allocation Area at the airport for another year. The company is planning to go ahead with the project and have already contracted with other parties for preliminary engineering studies for foundations, infrastructure, and other matters. Board members requested that Ray clarify to the company that we will not have money in the district after 2004 and that any work done would have to be paid for by the company and reimbursed by PDA to the extent agreed upon. After further discussion, it was MSC (**Ricks, Anderson**) to extend the commitment to reimburse up to \$2.5 million worth of improvements and to recommend extension of the commitment for establishment of an RAA to the City Council.

4. Civic Center. The La Paloma building sale will be closing this afternoon.

5. Roosevelt. R. Burstedt presented the breakdown of costs previously invoiced by Fred Meyer. Requested reimbursement includes money for landscaping. D. Tranmer noted that the City Council has specifically declined to include landscaping costs as eligible costs for the District. After further discussion, it was MSC (**Ricks, Anderson**) to table the request until the next meeting when minutes of the Council meeting or copies of appropriate documents could be available.

6. Stormwater Project. David Schiess was present to request \$45,000.00 in additional engineering fees due to additional work not covered in the Scope of Work under the contract. He also noted that a pay-out request was in the works for HK, but was not being submitted until all signatures have been obtained. Members then asked D. Tranmer if he had reviewed the calculations made for the "Railroad Change Order"—change order #2. Dean explained that he had reviewed it and discussed the contract with another attorney. At this point, it was deemed advisable to enter into an executive session in order to discuss possible litigation. It was MSC (**Brown, Schroeder**) to adjourn into executive session to discuss possible pending litigation with Mr. Tranmer.

Meeting reconvened at noon.

After brief discussion, the Chair, with consent of the Board, requested that D. Tranmer engage outside counsel on behalf of PDA for advice on various matters relating to the contract and change orders.

Chairman Neuhardt then declared a brief recess at 12:03 p.m. The meeting was reconvened at 12:08 p.m.

At this point Ron Frasure joined the meeting.

Stormwater contract discussion: D. Schiess than provided a detailed explanation of the additional services provided by his firm, including extra staking for curb, gutter, and sidewalk done at City request and attendant oversight as well as the extra hours involved for the Railroad Change Order. Copies of the breakdown of work and costs were distributed. Lengthy discussion ensued. Copies of the contract were requested, subsequently FAXed and reviewed by members.

The maximum payable under the contract for the Scope of Work was \$157,920.00, which represented the firm's estimated expenses and costs for the Stormwater Project. The Board consensus was that the \$45,000 additional amount requested was not actually all for "extra" services and discussion then centered around how much of the requested compensation was for services included in the original contract's Scope of Work. Extra time spent doing items accounted for in the Scope of Work should be covered by the contract amount. The Board noted that \$15,000 had not been, and would not be, used for materials testing, and that money had already apparently been used for engineering services. Through subsequent discussion, the Board acknowledged that portions of the request were for services outside the Scope of Work, but that the additional time involved in the RR Change Order, although a regrettably long and involved process, was within the Scope, since handling, negotiating, etc. for change orders was an included service and should have been anticipated in view of the fact the consultant had knowledge there was considerable likelihood the underpass concrete cap had been removed by the Railroad when it filled in the underpass. **It was MSC (Schroeder, Anderson- Ricks dissenting)** to approve an addendum to the contract worded in such a way that the section setting out the maximum amount payable to the consultant would be amended to show \$169,920.00 and that this amount was to be deemed to cover all work in the Scope and represent the total approved amount for any "extras" presented in the request before the Board this afternoon. {NOTE: The \$169,920.00 figure was derived as follows: a subtraction of \$15,000 for materials testing not needed from the original maximum of \$157,920.00, which essentially re-allocates that amount to engineering services, an allowance of \$13,000.00 for City-requested work on curb, gutter, sidewalk and street work, and an allowance of \$14,000.00 for additional construction oversight for a "worst case" scenario. In essence, \$27,000.00 was acknowledged to be allocated above the original estimates for engineering services, but only \$12,000.00 additional money was added to the contract price due to the offset from the materials testing refunding.}

5. Election of officers: Officers were elected at the October meeting, but no provision was made for a Treasurer. {Note: By-laws do provide for a Treasurer and an additional name for bank account signature cards is desirable.} J. Ricks moved, S. Brown seconded nomination of D. Schroeder, who declined. Thereafter, **it was MSC (Brown, Schroeder)** to elect J. O. Cotant as Treasurer.

Members requested clarification about the provisions of the by-laws in regard to which seats were specified and which were at-large. R. Valentine/D. Tranmer will report at next meeting.

6. There being no further business, the meeting was adjourned at 1:20 p.m.

