

## POCATELLO DEVELOPMENT AUTHORITY MINUTES

Meeting March 18, 2009

**Members present:** Karl Anderson, Terry Brower, Steve Brown, Roger Chase, Cynthia Hill, Darsi Johnson, Ken Monroe, and Ryan Ward.

**Staff present:** Robert Chambers, Executive Director; D. Kirk Bybee, Esq. and Darcy Taylor of the City Legal Dept.; and Dave Swindell and Jerry Higgins of the City Finance Dept.

The meeting was called to order at 11:01 a.m., by **Chairman S. Brown**.

### 1. Preliminary matters:

A. Guests, Conflicts, and Agenda. No conflicts of interest were declared, and there were no additions to the agenda. No guests were present.

B. Minutes. Minutes of the regular and executive sessions of the February meeting were reviewed, and it was **MSC (K. Anderson, D. Johnson)** to approve those minutes.

C. Financial Report. J. Higgins of the City Finance Department presented the financial report for the month of February. In February, the PDA received cash in the amount of \$19,125.07, which included \$316.18 in interest and tax increment payments of \$18,808.89 (\$17,386.24 for the Central Corridor and \$1,422.65 for North Yellowstone). Expenses for February totaled \$230,556.64, which included an approved payment on the Triangle project in the amount of \$3,764.76, bond holder interest on the North Yellowstone District debt in the amount of \$226,662.50, PDA lunch and bank fees. Mr. Higgins noted that he had inquired with the bank regarding the bank charges being levied against PDA accounts. The bank committed to refunding bank fees for March and February, but J. Higgins noted that it might be time to move the PDA accounts to a different entity, and he committed to reviewing that issue. After a brief discussion it was **MSC (D. Johnson, T. Brower)** to approve the February financial report.

D. Comprehensive Annual Financial Report. Charlie Clark of Deaton & Company, Chtd., appeared before the Board to discuss the Comprehensive Annual Financial Report prepared on PDA's financial records for the fiscal year ending September 30, 2008, and for the nine month period ending December 31, 2007. Mr. Clark presented the independent auditing report and described the governmental auditing standards required to be met in the report. J. Higgins presented the financial statement portion of the Comprehensive Annual Financial Report. (**R. Chase** arrived at 11:09 a.m.) Mr. Clark advised the Board that the issues he reviewed were 1) a check to see if the financial statements fairly represented the financial position of governmental activities; 2) a test to confirm the internal control system is in place; and 3) that the PDA is in compliance with mandated requirements. There were no adverse findings during the review. (**D. Swindell** arrived at 11:12 a.m.) Mr. Clark concluded his report by noting that the Board is doing a better job keeping its financial statements, which was very helpful for auditing purposes. There were no reconciliation problems which were encountered in the past, and conducting the audit was less time consuming. **D. Swindell** advised the Board that completion of the Comprehensive Annual Financial Report was important in the event the Board elected to borrow money or bond on an issue. **D. Johnson** noted that this was the best financial report she had seen during her tenure on the Board.

### 2. Central Corridor District:

A. Whitman Hotel Project. Darcy Taylor advised the Board that she had been contacted by Kathryn Almberg of The Housing Company with a request for the Board to enter into a Second Amendment to the Sale and Purchase Agreement regarding the Whitman Hotel Project. The Housing Company desired to transfer its interest in the commercial portion of the project to

CMW, LLC, which transfer needed to occur in order for certain tax credits to be realized by The Housing Company. The financial institution working on the sale required a Promissory Note be entered into by the PDA and CMW, LLC, payable to The Housing Company for the \$100,000.00 PDA had committed to The Housing Company for the Whitman Project, which sum was to be paid by the end of 2009. D. Taylor consulted with PDA's legal counsel K. Bybee regarding the requirement of the promissory note, who found the note to be burdensome in light of the fact that the \$100,000.00 commitment to The Housing Company had been made in the form of a fifteen year, no interest loan, with the possibility of converting the loan to a grant. Further discussions with The Housing Company revealed that if the \$100,000.00 commitment could be paid by the PDA to The Housing Company within the month, the financing entity would not require the Promissory Note or the Second Amendment to the Purchase and Sale Agreement. D. Swindell advised the Board that the funds were available if the Board was interested in fulfilling the commitment to The Housing Company at this time, in order to avoid further encumbrances with the Whitman Project, and to complete the PDA's involvement with the project. After further discussion, it was **MSC (R. Ward, C. Hill)** to authorize payment of the final commitment on the Whitman Project in the amount of \$100,000.00 to The Housing Company by the end of March, and to authorize Chairman Brown to enter into and execute a Reimbursement Agreement on behalf of the PDA with The Housing Company, for repayment and/or forgiveness of the funds.

### **3. PDA Project Application Review:**

R. Chambers presented Board members with a copy of the current Project Application Packet, which has not been revised since March, 2004. He explained that once an application is received by the PDA, a review committee consisting of PDA financial officers, the PDA Attorney, and the Executive Director score the application based on the criteria contained in the form to determine if the proposal should be presented to the Board. R. Chambers asked the Board to review the form to see if there are any areas which needed to be amended. **T. Brower** noted that the application is an effective tool for discerning which proposals are reviewed by the Board. Other Board members concurred. R. Chambers asked Board members who discover items they would like to see added to changed to the application to contact him with their suggestions. Otherwise, the application form will be changed to show a revision date of February 2009.

### **4. Project Update:**

**S. Brown** advised the Board that G. Gilliam was in Washington D.C. but that she is working on three key projects this month. Other projects are still pending, awaiting final decisions based on financial information and funding sources.

### **5. Adjournment:**

There being no further business, it was **MSC (D. Johnson, K. Anderson)** to adjourn the meeting at approximately 11:40 a.m.