

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES

April 15, 2015

Members present: Brian Blad (late 11:33am), Larry Fisher, Cynthia Hill, Michael Orr (Chair), Linda Tigert, and Ryan Ward.

Members absent: Russell Meyers, Caroline Wight and John Regetz (ex-officio)

Staff present: Lon Crowell, Executive Director; Tiffany Olsen, City Legal Dept.; Merrill Quayle, Development Engineer, and Joyce Stroschein, City Finance Dept.

Chair Orr called the meeting to order at 11:04 a.m.

Introductions, Conflicts, and Agenda: Guests in attendance included Michael Jaglowski, Public Works Director, Cindy McCullough, Planning and Zoning Administrative Assistant, and Chad Carr (excused at 12:15pm). There were no conflicts with the Agenda items, nor were there any deletions to the Agenda.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The Minutes of the regularly scheduled meeting of February 18, 2015 were reviewed. It was **MSC (C. Hill, L. Tigert)** to approve the Minutes as presented.

Agenda Item No. 2: Financial Reports. **J. Stroschein** presented the Financial Reports for the months of February and March 2015. As of the end of February, the Authority had cash on hand of \$5,724,307.09. The checking account balance was \$2,828,856.97, the savings account was \$746,026.20, and cash being held by Zions Trust amounted to \$2,149,423.92. The Authority received revenues totaling \$40,525.66 of which \$2,849.59 was interest earnings on cash invested and property taxes. The \$1,000.00 payment received on the note receivable applied \$181.16 towards the principal of the note. Property tax revenue totaled \$37,494.91 for the North Yellowstone, Naval Ordnance, North Portneuf, and the Pocatello Regional Airport Districts. Expenses for the month totaled \$83,315.46. The expenses included a debt service payment of \$81,096.75 for interest on the North Yellowstone District debt and a \$2,000.00 payment for Arbitrage Professional services. The remaining expense is for \$218.71 was an administrative expenditure for lunch and water/soda beverages. Year to date revenues of \$3,821,637.51 are not greater than expenses of \$4,307,872.92. The General Fund District has a net income YTD of \$2,901,325.39. As of the end of March, the Authority had cash on hand of \$5,815,888.27. The checking account balance was \$2,920,408.15, the savings account was \$746,045.20, and cash being held by Zions Trust amounted to \$2,149,434.92. The Authority received revenues totaling \$91,581.18 of which \$3,084.49 was interest earnings on cash invested and property taxes. The \$1,000.00 payment received on the note receivable applied \$181.91 towards the principal of the note. Property tax revenue totaled \$88,314.78 for the North Yellowstone and the Naval Ordnance Districts. There were no expenses for the month of March. Year to date revenues of \$3,913,218.69 are not greater than expenses of \$4,307,872.92. The General Fund District has a net income YTD of \$2,901,344.39. **Chair Orr** questioned if the General Fund was staying consistent with projected income and expenditures. **J. Stroschein** confirmed with the 10% administrative fee transfer and minimal expenses, the General Fund is healthy. It was **MSC (R. Ward, C. Hill)** to approve the Financial Reports as presented.

Agenda Item No. 3: Payment Requests/Reimbursements.

- (A) Arbitrage Compliance Specialists, Inc. **J. Stroschein** explained that arbitrage is the ability to obtain tax exempt bond proceeds and invest the funds in higher yielding taxable securities resulting in a profit. We hire Arbitrage Compliance Specialists to determine whether the PDA does not make interest income in excess of interest expense on our Series 2012 bond. The interest income is earned on the reserve fund and is subject to the rebate. Arbitrage Rebate requirements began in September 1986. This requirement is to rebate any profit to the federal government. This report indicates there is no final rebate payment due to the US Treasury (IRS) with respect to the Series 2012 A Bond for the North Yellowstone TIF District debt. **It was MSC (R. Ward, L. Tigert)** to issue payment to Arbitrage Compliance Specialists, Inc. in the amount of \$1,250.00 from the North Yellowstone TIF District funds.
- (B) Balfour Beatty Rail, Inc. **M. Quayle** presented a change order in the amount of \$3,950.00 for the modification of the 10% drawings to conform to the requirements requested by UPRR's Operating Department for the Project Pipe location. **L. Fisher** questioned if the project was worth proceeding with since we have not yet secured a signed contract with Project Pipe? **M. Quayle** reiterated that it most certainly was. This rail system would be beneficial for Project Pipe or any other new business to the location. The designs and drawings are not specific to Project Pipe. **Chair Orr** asked how long the drawings would be good for? **M. Jaglowski** verified the window from drawings to construction is five (5) years. **It was then MSC (R. Ward, C. Hill)** to approve the payment to Balfour Beatty Rail, Inc. in the amount of \$3,950.00.

Agenda Item No. 4: Adoption of the 2015 FY Budget. **J. Stroschein** asked the Authority to review a proposed budget for FY 2015. **Stroschein** provided information on expected revenue and expenditures for each of the tax increment financing district funds and the general fund for FY 2015. After a brief discussion, **it was MSC (L. Tigert, L. Fisher)** to approve and adopt the proposed FY 2015 Budget as presented.

Agenda Item No. 5: Discussion and Decision regarding Whom Possess Authority to Negotiate on behalf of PDA. **Chair Orr** relayed at times he has had frustrations with whom on the PDA Board has the authority to negotiate on behalf of the Board; for example, with potential companies looking at relocating to Pocatello. Is it the Chair, the Mayor, the Executive Director or the ex-officio representative from Bannock Development Corporation? The Bylaws give all authority to Chairman of the Board, unless he or she delegates certain authorities to another Board Member or the Executive Director. **Chair Orr** believes some confusion may have started when the PDA held a Special Meeting to authorize the Mayor to speak with Project Pipe representatives in solidifying a Lease Agreement and other associated needs. **B. Blad** explained that sometimes during these "negotiations" promises are made and things are stated in order to attract and secure companies; however, he is confident those negotiated matters are items the Board is willing to support. **R. Ward**, the longest tenured Board Member, stated that in the past, the negotiating team included the Executive Director, the Treasurer and the Mayor (including the representative from Bannock Development Corporation and Chairman of the Board when needed). The PDA Board relied upon that teams' knowledge, information, and prepared presentations to the Board for a decision when the time was right. **B. Blad** commented that Staff could do a better job in the preparation of information and timely distribution to the Board but that ultimately it is each Board member's responsibility to take the information, retain it and

make the best decision for the PDA. At the conclusion of the discussion, there was no action taken on this agenda item.

Agenda Item No. 6: Resolution Recognizing Darlene Gerry for her Outstanding Service to the Board. **Chair Orr** commended Ms. Gerry for her service as a Board Member from April 19, 2012 to March 6, 2015. A Resolution was adopted by the Board (**Resolution 2015-1: MSC B. Blad, C. Hill**) and a plaque was prepared honoring Ms. Gerry's valuable insight and guidance to the Board. The Board wishes her the best of luck in her future endeavors.

Agenda Item No. 7: Resolution Recognizing Ryan Ward for his Outstanding Service to the Board. **Chair Orr** commended Mr. Ward for his service as a Board Member from June 21, 2007 to May 1, 2015; Treasurer from October 2007 to October 2010; and Chair of the Board from October 2010 to October 2014. A Resolution was adopted by the Board (**Resolution 2015-2: MSC (B. Blad, C. Hill)**) and a plaque was presented honoring Mr. Ward's willingness to serve additional terms, serve as an officer, Treasurer and Chairman, and valuable insight, guidance and leadership to the Board. The Board wishes him the best of luck and appreciates his eight years of outstanding service.

Agenda Item No. 8: Vote to Approve Chad Carr to Darlene Gerry's Unexpired Commission Seat with a Term Expiration of May 1, 2016. It was **MSC (R. Ward, C. Hill)** to approve Chad Carr to Darlene Gerry's unexpired commission seat with a term expiration of May 1, 2016.

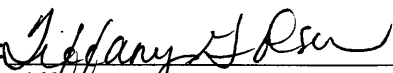
2. **Executive Session:**

Chair Orr called for a motion for the Board to go into an executive session to discuss a matter regarding negotiations involving matters of trade or commerce in which the PDA is in competition with other jurisdictions. **It was moved and seconded (B. Blad, R. Ward)** to adjourn to executive session pursuant to Idaho Code §67-2345(1)(e). **The motion passed** by roll call vote (**Ayes: B. Blad, L. Fisher, C. Hill, M. Orr, L. Tigert, and R. Ward; Nays: None**). The Board adjourned to executive session at approximately 12:13 p.m. The Board reconvened to regular session by **MSC (C. Hill, L. Fisher)** at 1:10 p.m. Potential developments at the Pocatello Regional Airport and the Naval Ordnance District were discussed.

3. **Adjournment:**

Chair Orr noted that the Idaho State Journal contacted him about his interest in purchasing equipment from the Hoku site. He explained to the Board he is consulting with some interested parties but that he, personally, is not acquiring the equipment.

There being no additional business on the Agenda, it was **MSC (L. Tigert, C. Hill)** to adjourn the meeting at 1:15 p.m.

By 
Tiffany G. Olsen, Secretary