

**POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES**  
**January 20, 2016**

**Members present:** Brian Blad, Chad Carr, Cynthia Hill, Michael Orr (Chair), Thomas Ottoway, Scott Smith, and John Regetz with Bannock Development Corporation (ex-officio)

**Members excused:** Larry Fisher

**Members absent:** Howard Manwaring and Russell Meyers

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

**Chair Orr** called the meeting to order at 11:01a.m. T. Olsen called the roll.

**Introductions, Conflicts, and Agenda:** Guests included Doran Lambson with Deaton & Company (left at 11:15a.m.), Anne Nichols with the Mayor's office (left at 11:11a.m.) and Councilman Steve Brown. No conflicts were disclosed pertaining to the agenda and there were no deletions made to the agenda.

**Action and Discussion Items:**

**Agenda Item No. 1: Advisory Board Update by Anne Nichols.** Anne Nichols, the Mayor's Assistant, presented the newly revised Advisory Board Meeting Manual. Highlights include the requirements of public notice of meetings, attendance, Media and Social Media policies, recusing and abstaining from voting (not encouraged), types of motions and disruptions during meetings. Nichols advised there is language preventing the Board from voting by email, which is an action the PDA Board has exercised in the past. Therefore, if the matter is urgent and needs a vote, a special meeting will need to be noticed and held to accommodate the action.

**Agenda Item No. 2: FY2015 Comprehensive Financial Audit Report by Deaton and Company.** Doran Lambson, Auditor for Deaton and Company, provided an introduction to the Comprehensive Annual Financial Report for the year ending September 30, 2015. Lambson explained that in Deaton's opinion, the financial statements referred to in the audit present fairly, in all material respects, the respective financial position of the urban renewal activities and each major fund of the Pocatello Development authority for the 2015 fiscal year, in conformity with accounting principles generally accepted in the U.S. Lambson advised that based on his test of a sample of PDA records, the Authority is not out of compliance, and there are no material issues or deficiencies of the internal control over financial reporting. **J. Stroschein** presented a page by page summary of the financial audit. It was **MSC (B. Blad, T. Ottoway)** to adopt the FY2015 Comprehensive Financial Audit Report as presented.

**Agenda Item No. 3: Minutes.** The Minutes of the regularly scheduled meeting of December 15, 2015 and the special meeting on December 18, 2015 were reviewed. It was **MSC (C. Carr, B. Blad)** to approve the December 15<sup>th</sup> and 18<sup>th</sup> Minutes as presented.

**Agenda Item No. 4: Financial Reports.** **J. Stroschein** presented the Financial Reports for the month of December 2015. At month end the Authority had cash on hand of \$5,163,764.85. The checking account balance was \$2,575,669.19, the savings account was \$746,213.85, and cash being held by Zions Trust amounted to \$1,841,881.81. The Authority recognized normal financial activity during the month of December. The Authority received revenues totaling

\$2,288.35 of which \$862.15 was interest earnings on cash invested. The \$1,000.00 received on the note receivable applied \$188.86 towards the principal of the note. Property tax revenue totaled \$1,237.34 for the North Yellowstone District. The remaining revenue reported was the result of internal transfer for the administrative fees totaling \$130,961.38 for the North Yellowstone District. Expenses paid for the month totaled \$8,086.97. The Authority incurred a publishing expense for the RFP related to the Positron and Hoku facilities in the amount of \$89.45, dues in the amount of \$750.00 were paid to Redevelopment Association of Idaho as well as \$5,000.00 for a legislative donation and utilities for the Positron property were \$2,029.72 for September and October. The administrative expense for lunch totaled \$217.80. The remaining expense reported totaled \$130,961.38 which was the result of the internal transfer for the administrative fee from the North Yellowstone District. Year to date revenues of \$159,939.58 (see page 3) are not greater than expenses of \$711,156.10. Overall Net Loss of \$551,216.52. As a reminder, **J. Stroschein** noted a net loss indicates the use of cash reserves. It was **MSC (B. Blad, C. Hill)** to approve the December Financial Report as presented.

**Agenda Item No. 5: Payment Requests/Reimbursements.**

- (a) It was **MSC (S. Smith, C. Carr)** to approve the payment of \$2,000.00 to Zions Bank for the annual trustee fee.
- (b) It was **MSC (B. Blad, S. Smith)** to approve the payment of \$618.00 to Kumm & Reichert, PLLC for Kelly Kumm's legal services regarding the Hoku property.

**Agenda Item No. 6: Positron Building Furnace/Water Damage.** **L. Crowell** presented a summary on the damage to the Positron building which occurred sometime in the early morning hours of January 4, 2016 when the general furnace blower malfunctioned and subsequently caused the fire suppression system to freeze and leak. In order to prevent additional damage/molding from the excess water in the building, **L. Crowell** contacted Quik & Kleen to remediate. Quik & Kleen's billing is estimate to be between \$2,000-\$3,000. Both the PDA and ISU have received estimates to repair the fire suppression system. Before any repairs are made, liability of the facility needs to be determined since the final Judgment and Order awarding the leasehold interest to the PDA has not been issued by the Judge. PDA Staff will meet with ISU Staff and Counsel to determine what needs to be done and who should be responsible for the repairs/remediation costs. T. Olsen has listed the leasehold interest in the property on the PDA's ICRMP insurance policy retroactive to the settlement agreement date of August 2015.

**Agenda Item No. 7: Request for Proposal – Broker for Positron Lease.** **L. Crowell** asked the Board if they wish to have a second request for proposal issued for the lease of the Positron property. **B. Blad** asked for the Board to hold the issuance until the judicial foreclosure action is complete and we have the ability to market the premises. **L. Crowell** informed the Board a local realtor submitted a marketing pamphlet and expressed interest. It was agreed by the Board to take no action at this time.

**Agenda Item No. 8: Petersen, Inc., Update per Semi-Annual Review of Economic Development Agreement.** Petersen, Inc. provided a power point presentation documenting their performance which was presented to the Authority by **L. Crowell**. Petersen currently has 59 positions on the payroll, with 53 over \$14.00 and an average wage of \$21.29 per hour. Work orders have slightly increased with several bids recently being awarded. **L. Crowell** reminded the Board that Petersen has always been good in providing information when requested and has continued to operate a successful facility.

**Agenda Item No. 9: Resolution Acknowledging Michael Orr, as a Board Member and Chairman, for his outstanding service to the Board.** Michael Orr holds a Board Member position as the PDA Board's City Council Liaison. With the election of a new Council President, Mr. Orr's seat will be replaced by the new Council Liaison. Therefore, the Board adopted Resolution 2016-1 (MSC, C. Hill, T. Ottoway) in acknowledgment of Michael Orr's five and a half years as a Board Member and Chairman from October 2014 to January 2016.

**Agenda Item No. 10: Election of Chairman Position and Lon Crowell to the position of Executive Director of the Board.** It was MSC (B. Blad, C. Hill) to elect Councilman Steve Brown to the City Council Liaison seat on the Board with an expiration date of May 1, 2016. **Chairman Orr** asked the Board to appoint Lon Crowell to the position of Executive Director of the Board. L. Crowell has served as the Interim Executive Director for four and a half years and has done a remarkable job. **Orr** commended him for his continued dedication to the Board in economic development and bringing businesses to the City. It was MSC (B. Blad, C. Carr) to appoint Lon Crowell to the position of Executive Director. Lastly, it was MSC (B. Blad, C. Hill) to elect Scott Smith to the Chairman position and Chad Carr to the Vice-Chairman position with terms ending September 30, 2016.

2. **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, C. Carr)** to adjourn to executive session pursuant to Idaho Code §74-206(1)(e) at approximately 12:13 p.m. **The motion passed** by roll call vote (**Ayes: Blad, Carr, Hill, Orr, Ottoway, Smith; Nays: None**). Guests that remained in the meeting for Executive Session included Councilman Steve Brown and John Regetz. Potential development within the North Portneuf District was discussed. The Board reconvened to regular session at 12:26 p.m. by **MSC (B. Blad, C. Carr)**.

### 3. Adjournment:

There being no additional business, the meeting adjourned at 12:36p.m by **MSC (B. Blad, S. Smith)**.

By: Tiffany Olsen  
Tiffany G. Olsen, Secretary