

POCATELLO DEVELOPMENT AUTHORITY MEETING MINUTES
November 15, 2017

Chairman Smith called the meeting to order at 11:06 a.m.

Members present: Mayor Brian Blad (arrived at 11:08), Councilman Steve Brown, Chad Carr, Larry Fisher, Thomas Ottaway (arrived at 11:08), Chairman Scott Smith, and Scott Turner.

Members absent/excused: Evan Frasure and Russ Meyers.

Staff present: Melanie Gygli, Interim Executive Director; Jared Johnson, City Attorney; Merrill Quayle, Development Engineer; Joyce Stroschein, Treasurer; Tiffany Olsen, Bannock County (ex officio); and John Regetz, Bannock Development Corporation (ex-officio).

Guests: Kris Stevens

Introductions, Conflicts, and Agenda: There were no conflicts disclosed. Chair **S. Smith** welcomed those present.

Item No. 5 was postponed to the next meeting.

1. Action and Discussion Items:

Agenda Item No. 1: Minutes. The minutes of the regularly scheduled meeting and executive session of October 18, 2017 were reviewed. It was then **MSC (L. Fisher, C. Carr)** to approve the minutes as prepared.

Agenda Item No. 2: Financial Report. **J. Stroschein** presented the financial reports for the month of October/FY2017 year end. At the end of the reporting period, the Authority had cash on hand of \$5,457,054.77. The checking account balance was \$1,938,744.25, the savings account was \$746,624.89, and cash held by Zions Trust amounted to \$2,772,685.63. The Authority recognized financial activity during the month of October, as follows: revenue totaled \$19,193.78 of which \$4,577.65 was interest earnings on cash invested and property tax, \$750.00 was rental income from the Positron facility, and \$13,866.13 in property tax revenue from the North Portneuf District. Expenses for October were \$232.48 for the meeting lunch, \$1,650,000 for the Northgate Interchange Project, and \$5,960 to ICRMP for general liability insurance.

J. Stroschein described recent fraudulent activity within the PDA checking account. It appears that the thief obtained a copy of a PDA check that was included in the agenda packet from January 2016. Minimal changes were made to the check copy creating what appeared to be new checks, which were then presented for cashing. A scam involving payment for wrapping cars with advertising for "Budweiser" was also involved. Materials were turned over the law enforcement, which is investigating. No loss of funds occurred.

Measures taken to prevent similar problems in the future include removing all PDA agenda packets from the website, if they contain copies of checks; no copies of checks will be included in future agenda packets; banking measures (such as positive pay) will be explored through the RFP for overall banking services. A new account is being opened to process PDA financial business.

Following discussion of the financial reports and the fraud situation, it was then **MSC (B. Blad, S. Turner)** to approve the October/FY2017 year end financial reports as presented.

Agenda Item No. 3: Payment Requests/Reimbursements. **J. Stroschein** presented requests for payment to Joyce Stroschein for \$54.00 for three Board member's registration for the Bannock Development Corporation symposium and Melanie Gygli for \$20.42 for restocking lunch supplies. Because there is no credit card associated with the PDA's account, it is easier to have these kinds of purchases done by staff, to be reimbursed. One other expense, for this meeting's lunch (approximately \$130) was paid by M. Gygli; that will need to be reimbursed, as well. Because of the fraud problem, reimbursement will be made when the new account is opened. J. Stroschein noted that there will be three signers on the new account, Joyce Stroschein, Sue Timpson (deputy treasurer), and Melanie Gygli. This will be helpful in making needed payments, if one staff member is unavailable, or when the check is to one of the potential signers.

Following brief discussion, it was **MSC (B. Blad, C. Carr)** to approve payment of these invoices.

Agenda Item No. 4: Bylaws Review and Update. **M. Gygli** explained that the citation within the Bylaws that allows participation in meetings by telephone is incorrect. The Bylaws read "Idaho Code Section 67-2342(5)," where the correction citation is Idaho Code Section 74-203(5). Board members discussed other potential changes, including designation of a deputy treasurer, so that all account signers are "directors, officers, or bonded employees of the Pocatello Development Authority . . .", and whether it is possible to participate by telephone in an executive session, since those are not public meetings. It was **MSC (S. Brown, B. Blad)** to approve the change correcting the Idaho Code citation for telephone participation in meetings from Section 67-2342(5) to Section 74-203(5). Staff will research the other questions and provide information and potential additional bylaw changes at the next meeting.

Agenda Item No. 5: Transfer of 10% Administrative Fee from Active Districts to the General Fund. The Chairman postponed consideration of this item to the next meeting.

Agenda Item No. 6: Project Updates.

--**Positron Facility:** **M. Gygli** reported ISU pays \$750 per month on the lease that extends until 6/30/21. A letter was sent to ISU on 5/19/17 asking whether the University had any interest in purchasing the facility; there has been no response. It was noted that there may be little action by the University on matters such as this until after a new president is appointed.

--**The Bridge:** **M. Gygli** reported interest on the loan of \$26,000 will begin to accrue on 12/21/17 at prime plus 1 percent. The first payment is due 3/31/18. Brief discussion that the business seems to be operating successfully.

--**"Hoku" Land:** The lease with VA Metals expires on 1/17/18. Issues to resolve include Great Western's access, Idaho Power's purchase of the land occupied by the substation (vs. leaving on an easement), waterline, right-of-way, and utility easements, and fiber optic availability. There has been no response to email contact with VA Metals' attorneys. The requested \$1,000,000 security deposit was not accomplished. Staff will research further and attempt additional contact with the potential purchasers. Follow up information will be provided at the next meeting. **M Gygli** reported clean up and fencing of the property where dumping occurred has begun.

--Bully Dog: Despite several attempts to contact Bully Dog personnel, no response has been received. Staff will again try to make contact, to determine whether Bully Dog is still interested in receiving funding assistance.

--Naval Ordnance District: **M. Quayle** reported the court case has been reassigned to Judge Winmill and no decisions have been made. There have been a couple waterline breaks on the property. The PDA's commitment to assist with 50 percent of improvement costs, up to \$200,000, remains available, but the property owners have withdrawn their request for assistance for now.

--Northgate Development: Both the ITD contract for the interchange itself and the east side local road contract have been signed by all parties. A decision on the interchange design is expected very soon. The initial annexation request involving approximately 300 acres was submitted; the Planning & Zoning Commission has recommended approval of the request and the City Council's hearing will be held on 12/7/17. Initial steps have been taken toward completion of a potential URA/TIF plan.


--RFP for Banking Services: **J. Stroschein** reported the RFP was sent out. The deadline for response is 12/1/17, so this item will be on the December meeting agenda.

--North Yellowstone District: **J. Stroschein** reported that with the remaining debt and the current revenue stream of approximately \$1,400,000, it may be possible to close this district in two-three years, if there are no outstanding commitments or projects within the TIF plan. This could return an increment of \$80-90,000,000 to the tax base.

2. **Adjournment:**

There being no further business, the meeting adjourned at 11:56 a.m.

By: _____


Melanie Gygli, Interim Executive Director/Secretary

POCATELLO DEVELOPMENT AUTHORITY
Pocatello City Council Executive Session
October 24, 2017

Members and staff of the Pocatello Development Authority attended an Executive Session of the Pocatello City Council on October 24, 2017, at 11:00 a.m., in the Paradise Conference Room at City Hall. A quorum was present, including: PDA Board Members Steve Brown, Brian Blad, Larry Fisher, Evan Frasure, Scott Smith. PDA staff members and guests present were Kirk Bybee, Legal Liaison, Joyce Stroschein, PDA Treasurer, Tiffany Olsen (Bannock County), and Matt Kerbs (Bannock County).

As guests of the Council at an Executive Session, no action was taken nor minutes recorded. The meeting adjourned at 12:12 p.m.

By: 
Melanie Gygli, Interim Executive Director/Secretary