

POST FALLS URBAN RENEWAL MINUTES

October 15, 2009

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chairman Bobbi Rollins called the meeting to order at 7:00 a.m. Executive Director Tom Lien called the roll. Present, in addition to Chairman Rollins, were Commissioners Larry Carstensen, Jerry Baltzell, David Holloway, Tim Short, Peter Smith, and new Board member Hilde Shetler, and former Board Member Nancy Mabile. Carstensen led the Pledge of Allegiance.

Rollins presented a plaque to former PFURA Board Member/ Chairman Nancy Mabile thanking her for her dedicated service, expertise and ongoing efforts of economic development to the City of Post Falls. Mabile gave a few words of appreciation and thanks.

Rollins introduced Hilde Shetler, the new Board Member appointed by the Mayor. Shetler has lived in the area for the past 11 years, has been a former business owner, paralegal, past president of the Post Falls Rotary, Rotarian of the Year for 2006 and 2008, and is presently an Economic Development Specialist at Jobs Plus.

CONFLICT DISCLOSURE

None

CONSENT CALENDAR

Lien introduced the Consent Calendar. All Commissioners had been given a packet of information for the meeting including the edited and corrected September 17, 2009 minutes. Provided also were the Accounts Payable detail list for \$28,672.25 which was a little higher than normal because the quarterly payment of \$16,100.59 to Washington Trust for the Water Tower Loan was included. The approval of the Consent Calendar also approved transfer of funds, totaling \$528,672.25 to cover the payables and ITD payment in the amount of \$500,000.00.

Included in the report were the CPA monthly Financial Statements which showed operating expenses 67.1% of budget for the 12 month fiscal period year-to-date. The Bank Activity Report showed totals for all accounts in the amount of \$5,299,077.27. It was noted that money was transferred from the LGIP account to 2 local banks for CD's at \$250,000 each. The approval of the Consent Calendar also approved the transfer of accrued interest of \$1,179.56 to the General Fund.

Final item on the Consent Calendar was the East Post Falls surplus increment rebate. It was approved at last month's meeting to provide \$2,200,000 rebate to the taxing entities in the East Post Falls District on a pro-rata basis as provided by law on or before December 31, 2009. Staff had met with the County Auditor's and Treasurer's offices for clarification on the process. Holloway commented that from last month's meeting, the Board wanted to issue one check to the County for

the rebate. However, it has been determined that the Agency will have to write the checks to the entities per the County's request. Dan English from the County Auditor's office was present to make comments during Citizen Comments and answer any questions. Lien stated that there will be 7 checks for taxing districts that cover 23 funds as several districts are responsible for more than one fund.

It was pointed out that the date at the bottom of the page on the Schedule of Cash Balances prepared by the CPA should be as of September 30, 2009.

Short had some further questions for discussion on the process for approval from the County on what the Agency is doing for rebating the excess funds as he was concerned about liability issues. Smith moved that the Consent Calendar be approved on items 4a, 4b, 4c, 4d, and 4e with item 4f East Post Falls Surplus Increment Rebate being moved to Unfinished Business. Short seconded the motion. Voice vote. Motion carried.

Smith moved to amend the Agenda and move 4f to Unfinished Business. Short seconded. Voice Vote. Motion carried.

Holloway moved to approve the Consent Calendar as amended. Baltzell seconded. Voice Vote. Motion carried.

CITIZEN COMMENTS

Dan English, Kootenai County Clerk/Auditor, was invited to speak to the Board to clarify the County's stance on receiving and disbursing the East Post Falls District surplus funds. English stated that Chief Deputy Sandy Martinson and Chief Treasurer Laurie Thomas met with Lien to discuss the surplus of funds accumulated from the East Post Falls District and the wish to rebate those surplus funds to the taxing entities. Questions were asked on how the rebate should be done and if the funds could just be given back to the county for them to disburse. The County spoke with the State Tax Commission and decided it would give the taxing entities a false impression that the money came from the County instead of the Urban Renewal Agency. It is uncharted territory, but the County looked at the numbers Lien presented and said the process looked reasonable and logical but didn't want to say the County was signing off or certifying that the Agency is using the exact process because there's no mechanism in place to certify that process. English says the County commends the Agency's motives and activities.

Lien stated that he had spoken to the State Tax Commission and was directed to the Idaho Administrative Code on rebating surplus revenue from a district that is being de-annexed or dissolved. Lien used that information for the language on how to disburse the funds and on what basis to process the rebate. In the same section of several district plans there is identical language in that an Urban Renewal Agency may rebate surplus increment back to the taxing entities each year, and it doesn't say only on the occasion of closing or de-annexation of the district.

A short question and answer period took place after English and Lien's comments. English stated that he could not give the Board a clear cut procedure for rebating the checks since there is no procedure clearly spelled out in the Idaho Code. The Board may wish to contact a legislator about getting a process identified for Counties to follow should this situation arise again. English also stated that he did not figure out the amounts and, as previously stated, Lien's methodology seemed to be reasonable and logical. Lien stated that with each check to a taxing entity will be a letter spelling out the exact figures he had come up with for dividing the amount to each fund they are responsible for. The methodology used in figuring these amounts will be the same ones used for closing a district.

Scot Haug, Post Falls Chief of Police. Haug introduced himself and said his purpose on behalf of the Post Falls Police Department was to foster a good relationship with the PFURA. In order to make everyone aware of what the Department handles, Haug named the different divisions and what their main function was. He also gave a brief rundown of crime statistics for the City and the Department's goals and plans for the future. The Department has 67 employees, 20 volunteers, and 39 sworn employees (police officers).

Haug stated the Department would welcome the opportunity to work together with the PFURA on projects to reduce risk of crime and enhance safety. In addition, he asked if the Agency would be interested in assisting the Department with a capital improvement need for another communications site within the City as one will be needed as the City grows.

During the question and answer period that followed Haug's comments, it was brought up that the Greensferry Overpass would be a welcome change to provide the Department with a safer route and faster response time from one side of the freeway to the other. Haug has had conversations with Scott Stokes of ITD about the importance of this overpass.

Ron Sampert, Fire Chief Kootenai County and Rescue. Sampert met with Lien in regards to disposing of the structure on some property the Board is considering purchasing. The Department could use this for a training exercise; however, there are some fees that would be charged to be able to burn it, i.e., asbestos inspection, clean up an interior space to use for entry exercise, etc., with anticipated fees of \$500-\$600.

During a question and answer period, Sampert stated that he has been involved with ITD in letting them know of the Fire Department's desire to have access across the freeway. Today it is even more critical to have that access. He also stated that the current number of fire stations is fine but they are always in the process of looking for properties to acquire for future growth. As of now, Tullamore has offered property for a fire station in East Post Falls District and Greenstone has offered property on McGuire Rd.

UNFINISHED BUSINESS

Access I-90 Update: Smith stated that he, Lien, and the Mayor met with Jim Coleman, local ITD Board Member of District I who has been very supportive of the Access 90 project. They discussed getting the Greensferry interchange on the STIP. ITD had a workshop on Tuesday and the project is

now out for public comment. Both Lien and Keck of the City sent an email to Coleman in response to a request for public comments. Now that the City and the PFURA have sent money to ITD for the Greensferry Project, the project should get on the STIP by November and ROD by December of this year, then the preliminary design should be finished and from there it sits on the shelf until it's funded. The big challenge, according to Coleman, is getting funding for it. This is a \$20 million project. One suggestion made is to contact our delegation in Congress (Washington D.C.) for support.

Lien had included in the packet to the Board a sheet entitled Nine-year History/Idaho Highway Expenditures he had received from State Representative Frank Henderson. Henderson along with Senator Jim Hammond and Lien were present at the recent Chamber Transportation Committee meeting. Henderson reported that District I comprises 12.2% of the total state highway miles and over the last 9 years, has received 21.9% of the STIP funds, while the District has received 25.8% of Garvee funds over the last 4 years (66% of STIP went to Highway 95 projects from Bonners Ferry to Lewiston and stimulus funds went to the Dover Bridge project). Because District I has received more than average of the STIP funds, the City and PFURA are going to have to push hard to get more money. Rollins asked Lien to write letters to our Congressman and Senators monthly for their support of this project. Rollins also asked to have something reported monthly either through Coleman or CH2MHill on progress.

East Post Falls Surplus Increment Rebate. More discussion of the rebate and the County's stance on distributing the funds from the PFURA were to take place here. However, the questions and answers discussed under Citizen Comments answered the questions posed earlier.

NEW BUSINESS

None

STAFF REPORT AND UPDATES

Lien reported he will be attending a 3-on-3 meeting between City Council and Commission Members on October 19th and anticipates the agenda to include fiscal 2010 projects and, specifically, what new projects will be planned in City Center and East Post Falls so there will be no large surpluses next year.

Of the sheet given the Board on the outstanding six (6) CD's, 2 CD's were recently purchased at \$250,000 each: one at Spokane Teachers Credit Union and one at Mountain West Bank. Two of the outstanding CD's will come due December 31, 2009, so there is time to look at future rates to decide on renewal options. Even though interest is being lost on the money paid to ITD and the rebate of surplus funds, interest earned on the money put into CD's at 1.5% interest is 4 times that of what would have been earned if it had been kept in LGIP, which is now earning only .37% interest.

COMMITTEE UPDATES

Finance - Holloway stated that September marks the end of the Agency's fiscal year and Lien will be working on compiling everything for the audit process. Lien stated that he received an engagement letter from Magnuson, McHugh regarding the audit.

District Review – Rollins had nothing further to report

City Center – Carstensen reported that the 4th Street and Spokane St. properties are still pending at the moment.

Personnel, Property and Communications – Smith had nothing further to report.

COMMISSION COMMENTS

Carstensen thinks the Agency should blow their horn about rebating funds to the East Post Falls District taxing entities since what the Agency has accomplished is a "first". Lien stated that he will be meeting with Brian Walker of the Coeur d'Alene Press, Rollins, and some of the taxing district representatives for a photo opportunity and news release for presentation of the rebate checks. Carstensen stated he would like the news release sent also to the Boise newspaper to show them that Post Falls has done something that's never happened in Boise.

Lien stated that he attended a Rotary luncheon recently and sat next to Kootenai County Treasurer Tom Malzahn. They were able to have a lengthy discussion on rebating surplus funds. Malzahn said that apparently the PFURA is doing something that's not been done before based on their research. He suggested that Lien talk to the State Tax Commission and provide them the methodology used to calculate the surplus rebate. Lien and the Tax Commission could possibly work together to establish a rule or amendment to a rule that says if a rebate of surplus revenue needs to be done, this is the methodology on how to do it.

Baltzell had some citizen comments gleaned from out in the community and from a forum he attended. He said that not many people show up at the meetings because people trust what the Agency is doing. He's also heard other positive comments that the Agency is doing the right thing and the Mayor considers the Agency a model for the whole state.

Rollins pointed out the new roster of Board members included in the packets and to contact Lien with any corrections. Also included was a new list for committees since former Chairman Mabile was replaced on the list with new Board member Shetler.

EXECUTIVE SESSION

Rollins stated she would accept a motion to move into Executive Session. Smith made the motion to enter into Executive Session for the purpose pursuant to Idaho Code 67-2345 Subsection 1(c) of conducting deliberations for the acquisition of an interest in real property which is not owned by this

Agency and further that no action or final decision will be made in Execution Session and Executive Session will last no more than 30 minutes. Seconded by Short. Roll call Vote: Carstensen – aye, Baltzell – aye, Holloway – aye, Rollins – aye, Smith – aye, Short – aye, Shetler – aye. Motion passed.

Executive Session started at 8:35 a.m.

Others present in Executive Session were Executive Director Lien and Legal Counsel Bredeson.

During Executive Session the matter of a Purchase and Sale Agreement for the acquisition by the Agency of a parcel of property in Post Falls was discussed.

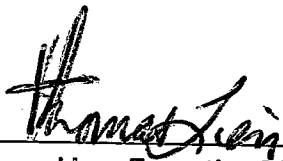
Executive Session ended at 9:02 a.m.

Rollins reconvened the regular session immediately after Executive Session and asked for a motion on what was discussed in Executive Session. Smith made a motion to act on the discussion made in Executive Session to make an offer to purchase real property in Post Falls under a Real Estate Purchase and Sale Agreement. Holloway seconded. All in favor by voice vote.

ADJOURNMENT

Rollins asked for a motion to adjourn. Baltzell made a motion to adjourn. All in favor by voice vote. Meeting adjourned at 9:10 a.m.

Respectfully submitted,



Thomas Lien, Executive Director



Bobbi Rollins, Chairman

Districts affected:

East Post Falls

City Center