Rexburg Redevelopment Agency

*Meeting Minutes- August 10, 2016*

*Rexburg, Idaho*

Chairman Richard Horner called the meeting to order around 12:00PM

Attendance

*Members*: Chairman Richard Horner, Joseph West, Brad Wolfe, Randall Porter, Robert Chambers, and Doug Hancey

*Visitors:* Dave Ogden - Sugar City Mayor, Golden Tawzer, Madison County Commissioner Kimber Ricks; Via Telephone Conference: Christian Anderson from Zions Bank, Nick Miller from Hawley Troxell and Ryan Armbruster from Elam & Burke.

*Administrative Support*: Katie Cook and Florencia Lambert

Agenda Amendment

Katie Cook e-mailed out an amended agenda less than 48 hours prior to the scheduled meeting. Therefore, a motion is needed to amend the agenda. Brad Wolfe motioned to amend the agenda as provided by Katie, and to go out of order for a conference call at 12:15. Joseph West seconded the motion and the motion passed unanimously.

Board Member Changes

Since the last meeting on July 7, 2016 Tim Solomon and Rex Erickson resigned from the Rexburg URA Board. Also since the last meeting, Mayor Merrill and the City Council appointed Randall Porter and Robert Chambers to the board. Doug Hancey motioned to accept Randall Porter and Robert Chambers to the board, Joseph West seconded and the motion passed unanimously.

Due to Tim Solomon resigning from the board a new secretary was needed, Robert Chambers motioned to appoint Doug Hancey as the board Secretary, Brad Wolfe seconded the motion and it passed unanimously.

Approval of Minutes

Richard Horner asked for a motion to approve the meeting minutes from July 7, 2016 which were sent to the Board prior to the meeting. Joseph West motioned to approve the meeting minutes, Doug Hancey seconded the motion and it passed unanimously.

Approval of Invoices

Richard Horner presented to the board past and approved invoices as well as one new invoice that needed to be motioned. The new invoice is a reimbursement for $500,000 to the city for recreational use in pool, parking, and installment of lights. Joseph West motioned to approve the reimbursement to the city, Brad Wolfe seconded the motion and it passed unanimously.

New Board Members

N/A

Review of Financial Status

Richard Horner addressed the Financial Status, reporting the cash balance in each district which can be found as an attachment in the meeting minutes. The total balance of each district amounts to $4 million, including $272,000 for the North Highway Reserve Fund. Bond payments are currently $525,000 with revenue doubling that. The North Highway Reserve bond is the only bond the board currently has with an outstanding amount of $2.7 million. The board is solely allowed revenue bonds. The Mickelson building has been purchased, with other projects pending.

Rudd & Co. Audit Engagement Letter

The price for the auditors in the current fiscal year is that of $4,450, with the previous year being slightly over $4,000. Richard Horner asked for a motion to approve the auditor’s engagement letter for the current fiscal year. Doug Hancey motioned to approve the amount of $4,450 for the auditor’s. Joseph West seconded the motion and it passed unanimously.

Review of Administrative Fee Increase

Richard Horner presented the North Interchange District Administrative Fund which covers all expenses that do not pertain to one district. Currently this fund charges 1% to each project, Richard Horner proposed to increase the charge to 1.5% of expenditures to be motioned and approved at the next meeting.

2017 Budget Public Hearing

Richard Horner read the script for the Budget Public Hearing, this document can be found attached to the meeting minutes. The budget can be seen as a goal rather than a commitment to spend. This budget authorizes the URA the appropriating sums for the fiscal year beginning October 1, 2016 and ending September 30, 2017 Richard Horner declared the Public Hearing for the 2017 budget open. No comments or questions were made and the Public Hearing was declared closed. Richard Horner asked for a motion to be made to approve Resolution No. 2016-03 for the 2017 budget. Robert Chambers motioned to approve said Resolution No. 2016-03. Joseph West seconded the motion and it passed unanimously.

North Highway District

Review/Approve Bond Refinancing by Zion’s Bank

Christian Anderson discussed the process of refinancing the current income invested in the pool bond issued July 2010. In terms of savings and refinancing bonds, the district has enough coverage to eliminate the debt service reserve fund if needed which currently stands at $287,500. Interest rates are at an all-time low, each maturity rate varies in interest rate per bond, the current targeted rate is 1.4 to 1.8% in all bonds. The first step to refinancing is to request for bids, collecting information on the district which would be a two-week process if the board wishes to do so, giving them a minimum three-week response time. If process is submitted, Christian would return to offer consultation and recommendation for the board. Currently there is an outstanding amount of $2.7 million maturing in 2022. There would be no cost to the board with Zion’s bank if the process is started and not completed. The only costs that would emerge are legal fees at the discretion of the attorneys depending on legal documents if process is not completed. The commitment of refinancing would be done four to five weeks from the approval with sixty days to close.

Richard Horner asked for a motion to approve Zion’s bank to pursue the beginning paperwork, with the actual approval of the refinancing process to come at a later date. Robert Chambers motioned to approve the pursuit of said project. Doug Hancey seconded the motion and it passed unanimously.

Washington School District

N/A

Downtown District

The Mayor has proposed to purchase an old seminary building, which the board approved the pursuit of in a previous meeting. Richard Horner spoke to Richard Smith on purchasing the property, the proposal would be that upon purchasing said property for $275,000 to $300,000 the LDS Church would lease the building to the board for an estimate of $4,500. To begin the process, an appraisal would be needed, and the LDS Church would in turn pay for half of the appraisal. Once appraised the URA would purchase the property and lease it back to the organization. This property would provide future parking as well as future negotiation power for the board in the revitalization of downtown structures.

Richard Horner entertained a motion to allow the Urban Renewal Agency to appraise and purchase building. Doug Hancey motioned to approve the appraisal of said property in pursuit of purchase and future project revenue. Joseph West seconded the motion and it passed unanimously.

University Boulevard District

The main project consists of roadway in the University Boulevard District, with plans to develop the road from two to four lanes. Sidewalks and pathways were discussed for future plans towards other city projects.

North Interchange District

Katie Cook called to set up the conference call with Christian Anderson, Ryan Armbruster and Nick Miller. Ryan Armbruster presented to the board, Resolution No. 2016-04 which is attached in its entirety, in 30 days this has been worked on and is now prepared for approval.

The Bond Purchase Agreement was presented, where the Board would enter into agreement with D.L. Evans Bank to purchase $3.5 million to finance said project in document. This agreement states the agency’s agreement to repay the revenue proceeds North Interchange project as well as create a reserve fund amounting to $350,000 with D.L. Evans Bank. The agency would deposit $78,000 to the reserve fund in D.L. Evans Bank as requested.

A provision was created to release reserve fund if in two years the revenue allocation proceeds equal 1.5 times the maximum annual debt service scheduled. If reserve is released the remaining amount must be used to pay any capital cost or debt service on bonds. Nick Miller discussed the policies and agreements for the Bond Purchase. Plans were discussed for other projects in the near future. Richard Horner asked for a motion to approve Resolution No. 2016-04 included in its entirety. Joseph West motioned to approve Resolution No. 2016-04 for the Bond Purchase Agreement of $3.5 million to finance construction and other projects in the city. Doug Hancey seconded the motion and it passed unanimously.

Richard Horner read the Inter-Fund transfer, Resolution No. 2016-05 which can be found as an attachment in the meeting minutes. Authorizing the board to transfer funds from the University Boulevard Project to the North Interchange District to the maximum amount of $80,000. Expecting payments to be paid in full by the fiscal year 2019 with an interest rate of 3%. Richard Horner asked for a motion to approve Resolution No. 2016-05 included in its entirety. Brad Wolfe motioned to approve Resolution No. 2016-04 for the transfer of $80,000 from the University Fund to the North Interchange District. Joseph West seconded the motion and it passed unanimously.

Next Meeting Date and Adjournment

The time and date for the next meeting has not been decided.

The meeting was adjourned about 1:45.

Minutes submitted by: Florencia Lambert

Approved by: Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_

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