



**BOARD MEETING MINUTES**  
**WEDNESDAY AUGUST 17, 2011 4:00 P.M.**  
**COEUR D'ALENE PUBLIC LIBRARY COMMUNITY ROOM**

1. CALL TO ORDER

Vice-Chairman Jim Elder called the LCDC Board meeting to order at 4:00 p.m.

LCDC Board members present: Elder, Hassell, Patzer, Jordan, Colwell. LCDC staff present: Berns. LCDC legal counsel present: Quade (Hawley Troxell).

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Guests Present: Tom Hasslinger, Chris Hollibaugh, Frank Orzell, Rita Sims-Snyder, Lillian Lynd, Nelson Gourley, Jim Pierce, Susie Snedaker, Julie Clark, and others.

Public Comment: no public comment given.

4. APPROVAL OF MINUTES

- July 20, 2011 Board Meeting Minutes

**Motion by Commissioner Patzer, seconded by Commissioner Hassell to approve the July 20, 2011 Board Meeting Minutes.**  
**Motion carried.**

5. LCDC FY2011 AMENDED BUDGET HEARING

Vice-Chairman Elder called the fiscal year 2011 amended budget public hearing to order at 4:02 p.m. and asked Executive Director Berns to provide an overview of the proposed budget amendment prior to public comment.

Mr. Berns shared that the only proposed amendment to the LCDC's fiscal year 2011 budget pertains to the LCDC's Lake District and involves the inclusion of 1) the construction costs for the Phase 1A infrastructure improvements pertaining to the Education Corridor initiative, and 2) the project management costs pertaining to Phase 1A of the Education Corridor initiative. The amended budget graphic below depicts the increase in expenditures on the "Expenses/Debt Service" line.

	FY2011 Plan <u>Expenditures</u> (ORIGINAL)	FY2011 Plan <u>Revenues</u>	FY2011 Plan <u>Expenditures</u> (AMENDED)	FY2011 Plan <u>Revenues</u>
Administration	\$ 175,937		\$ 175,937	
Expenses/Debt Service	\$5,412,553		\$8,105,103	
Capital/Debt Service	<u>\$1,884,362</u>		<u>\$1,884,362</u>	
Totals	\$7,472,852		\$10,165,402	
Tax Increment Revenue <sup>(1)</sup>		\$4,542,592		\$4,542,592
Rental Receipts		\$ 164,322		\$ 164,322
Int. & Misc. Funds		\$ 35,000		\$ 35,000
Capital Financing		<u>\$1,190,000</u>		<u>\$1,190,000</u>
Totals		\$5,931,914		\$5,931,914

	FY2011 <u>Plan – Original</u>	FY2011 <u>Plan – Amended</u>
Fund Balance <sup>(2)</sup> , Beginning of Year	\$7,832,288	\$7,832,288
Revenues	\$5,931,914	\$5,931,914
Expenditures	<u>(\$7,472,852)</u>	<u>(\$10,165,402)</u>
Fund Balance <sup>(2)</sup> , End of Year	\$6,291,350	\$3,598,800

<sup>(1)</sup> FY2011 tax increment revenue generated from Kootenai County data - estimated at time of publication.

<sup>(2)</sup> FY2011 fund balance was estimated at time of original publication. Fund Balances can be applied to debt service, applied to Board approved initiatives, or held in reserve.

Vice-Chairman Elder asked if there was any public comment on the proposed amendment to the FY11 budget. No public comment was provided regarding the proposed amendment to the FY11 budget as proposed. Vice-Chairman Elder closed the Public Hearing at 4:05 p.m.

- Resolution 11-03: Adoption of LCDC FY2011 Amended Budget

**Motion by Commissioner Hassell, seconded by Commissioner Patzer to approve Resolution 11-03 adopting the amendment to the LCDC FY2011 Budget as proposed.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Davis</b>	<b>Absent</b>		
<b>Hassell</b>	<b>Yes</b>	<b>Colwell</b>	<b>Yes</b>	<b>Patzer</b>	<b>Yes</b>
<b>Jordan</b>	<b>Yes</b>	<b>Hoskins</b>	<b>Absent</b>	<b>Elder</b>	<b>Yes</b>

**Motion carried.**

6. LCDC FY2012 BUDGET HEARING

Vice-Chairman Elder called the fiscal year 2012 budget public hearing to order at 4:06 p.m. and asked Executive Director Berns to provide an overview of the proposed budget prior to public comment.

Mr. Berns shared summary comments re. the following LCDC proposed FY12 budget:

**FY2012 Budget Overview**

	<u>Lake District</u>	<u>River District</u>	<u>Total</u>
<u>Estimated</u> Beginning Fund Balance (10/1/11)	\$ 4,595,667	\$ 2,031,553	\$ 6,627,220
 Revenues			
<u>Estimated</u> Tax Increment	\$ 3,590,264	\$ 1,594,504	\$ 5,184,768
Property Rental Receipts	\$ 153,663	\$ -	\$ 153,663
Int. & Misc. Funds	\$ 12,500	\$ 3,500	\$ 16,000
WTB Bond Draw	\$ 6,000,000	\$ -	\$ 6,000,000
Capital Acquisition Financing	<u>\$ 350,000</u>	<u>\$ 140,000</u>	<u>\$ 490,000</u>
Total	<b>\$10,106,427</b>	<b>\$ 1,738,004</b>	<b>\$ 11,844,431</b>
 Expenses			
Administration	\$ 106,368	\$ 70,912	\$ 177,280
Office Expenses	\$ 5,868	\$ 3,912	\$ 9,780
Travel	\$ 7,200	\$ 4,800	\$ 12,000
Professional Services	\$ 65,216	\$ 39,744	\$ 104,960
Notices	\$ 2,000	\$ 1,250	\$ 3,250
Communications	\$ 3,000	\$ 2,000	\$ 5,000
Insurance	\$ 3,458	\$ 2,306	\$ 5,764
Meetings	\$ 3,150	\$ 2,100	\$ 5,250
Utilities	\$ 13,620	\$ -	\$ 13,620
Property Management	\$ 95,721	\$ -	\$ 95,721
Organization Dues	\$ 4,506	\$ 3,004	\$ 7,510
Miscellaneous	\$ 600	\$ 400	\$ 1,000
Public Art	\$ 71,805	\$ 31,890	\$ 103,695
Capital Acquisition Expense	\$ 500,000	\$ 200,000	\$ 700,000
Debt: Interest	\$ 226,481	\$ -	\$ 226,481
Debt: Principal	\$ 4,906,580	\$ -	\$ 4,906,580
Property Leases	\$ -	\$ -	\$ -
LID Payments	\$ -	\$ -	\$ -
Parking Initiatives	\$ 50,000	\$ -	\$ 50,000
Planning	\$ 1,175,000	\$ 88,000	\$ 1,263,000
Grants	\$ 235,000	\$ 30,000	\$ 265,000
Partnership Agreements	\$ 783,403	\$ 947,856	\$ 1,731,259
Midtown Place Making Project	\$ 25,000	\$ -	\$ 25,000
Ed. Corridor: Infrastructure	\$ 1,497,513	\$ -	\$ 1,497,513
McEuen Park Initiative	\$ 2,000,000	\$ -	\$ 2,000,000
Special Project Reserve	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>
Total	<b>\$12,281,489</b>	<b>\$ 1,428,174</b>	<b>\$ 13,709,663</b>
 <u>Estimated</u> Ending Fund Balance (9/30/12)	 <b>\$ 2,420,605</b>	 <b>\$ 2,341,383</b>	 <b>\$ 4,761,988</b>

Following Mr. Berns' summary remarks, Vice-Chairman Elder asked if there was any public comment on the proposed budget. No public comment was provided regarding the LCDC FY2012 budget as proposed. Vice-Chairman Elder closed the Public Hearing at 4:09 p.m.

- Resolution 11-04: Adoption of LCDC FY2012 Budget

**Motion by Commissioner Colwell, seconded by Commissioner Hassell to approve Resolution 11-04 adopting the LCDC FY2012 Budget as proposed.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Davis</b>	<b>Absent</b>		
<b>Hassell</b>	<b>Yes</b>	<b>Colwell</b>	<b>Yes</b>	<b>Patzer</b>	<b>Yes</b>
<b>Jordan</b>	<b>Yes</b>	<b>Hoskins</b>	<b>Absent</b>	<b>Elder</b>	<b>Yes</b>

**Motion carried.**

7. RESOLUTION 11-05: REIMBURSEMENT RESOLUTION

LCDC Legal Counsel Danielle Quade provided a summary overview of the proposed reimbursement resolution to the Board. The proposed reimbursement resolution will allow the Board to utilize proceeds from the Washington Trust Bank (WTB) Lake District Bond to reimburse itself for qualified project costs expended up to 60 days prior to the date of the resolution.

The primary rationale behind the resolution mechanism involves the pending payoff of the \$2.5 million North Idaho Centennial Trail Foundation (NICTF) WTB note in December, 2011. Original plans targeted funds from the WTB Bond to pay off the NICTF note and use existing cash assets to pay for the Education Corridor Phase 1A infrastructure project that is underway. For compliance with IRS tax-exempt bond regulations reasons, it is recommended that LCDC use existing cash assets to pay off the NICTF tax-exempt financed note and use proceeds from the WTB Bond to pay for the Education Corridor infrastructure improvements.

This resolution provides the Board the flexibility to utilize the WTB Bond funds to help pay (i.e. reimburse the LCDC) for Education Corridor costs that would have otherwise been paid for via existing funds on hand prior to issuance of the WTB Bond .

**Motion by Commissioner Patzer, seconded by Commissioner Hassell to approve Resolution 11-05 adopting the Reimbursement Resolution as presented.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Davis</b>	<b>Absent</b>		
<b>Hassell</b>	<b>Yes</b>	<b>Colwell</b>	<b>Yes</b>	<b>Patzer</b>	<b>Yes</b>
<b>Jordan</b>	<b>Yes</b>	<b>Hoskins</b>	<b>Absent</b>	<b>Elder</b>	<b>Yes</b>

**Motion carried.**

8. COMMITTEE REPORTS

❖ **Education Corridor ad hoc Committee: Commissioner Scott Hoskins.**

LCDC Executive Director Berns, in Commissioner Hoskins' stead, shared that Phase 1A of the Education Corridor infrastructure project is progressing on schedule. North Idaho College is continuing communication efforts with stakeholders by sending out timely emails re. various aspects of the construction project. Ex. Director Berns also commended all stakeholders associated with the project, specifically the Fort Ground homeowners and the principals of the Fort Ground Grill, for their patience during the construction period.

- Commissioners Elder and Hassell both commented on how well the project is progressing.
- Commissioner Jordan commented that he is looking forward to the eventual construction of new facilities on the old mill site area.

❖ **Finance Committee – Commissioner Rod Colwell**

Lake & River District Monthly Financials

Lake & River District Payables

LCDC Finance Committee Chair Rod Colwell reviewed and discussed the July Lake and River District financial files, and the July/August account payables sheet, with the Board. Mr. Colwell also provided a summary review of how an "Owner Participation Agreement" (OPA) works, wherein the developer of a project pays for and constructs all LCDC pre-approved public improvements (e.g. roads, sewer lines, sidewalks) associated with the project, with the developer getting reimbursed by LCDC for his upfront costs over time solely from the future property taxes generated by his/her project. The developer receives no money up front from the LCDC, and LCDC has no obligation to use non-project related funds to reimburse the developer. So basically, there is no risk to the public; the developer bears all of the risk on the premise that his/her project will generate sufficient future property taxes to pay for the all ready installed public improvements.

**Motion by Commissioner Patzer, seconded by Commissioner Hassell, to approve the July financial packets and the July/August accounts payables for the Lake & River Districts as presented.**

- Commissioner Hassell asked for a summary of how the invoice review process works re. the MDM Construction invoices for the Education Corridor Phase 1A project?
  - Ex. Director Berns shared that JUB Engineers reviews all of the submitted MDM invoices to assure their accuracy. JUB then forwards the MDM invoices to the City of CDA's Engineering Department for their review and concurrence that the proposed charges are accurate. Once both JUB and the City agree to the validity of the invoices, JUB sends a payment request to LCDC containing the MDM invoices and supporting documentation.
- Commissioner Patzer shared that the Board will be seeing several more sizable payment requests over the next several months from MDM Construction as the Phase 1A Education Corridor project progresses.

**Motion carried.**

Lake District / Washington Trust Bank (WTB) Financing: Update

Executive Director Berns shared that the Lake District WTB financing process is moving forward, with document preparation nearing completion, and an anticipated loan closing of September 27, 2011.

❖ **Housing Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Parking Committee – Commissioner Jim Elder**

Commissioner Elder commented that he had no committee report to share.

❖ **Communication Committee – Commissioner Dave Patzer**

Commissioner Patzer commented that he had no committee report to share.

9. EXECUTIVE DIRECTOR'S REPORT

LCDC Executive Director Berns commented that he had no report to share.

10. PUBLIC COMMENT

Frank Orzell: Mr. Orzell asked several questions pertaining to LCDC’s planned level of financial participation in the McEuen Park initiative, and how said financial participation would be monitored by the LCDC Board.

➤ Board members responded to Mr. Orzell’s questions.

Lillian Lynd: Ms. Lynd asked several questions re. the funding source for potential LCDC partnership funding for the McEuen Park initiative.

➤ Board members responded to Ms. Lynd’s questions.

11. EXECUTIVE SESSION – Idaho Code Section 67-2345(1)

Subsection B: to consider the evaluation of the LCDC executive director.

**Motion by Commissioner Patzer, seconded by Commissioner Hassell to convene an Executive Session, as provided by Idaho Code Section 67-2345(1) Subsection B: to consider the evaluation of the LCDC executive director.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Hassell</b>	<b>Yes</b>		
<b>Colwell</b>	<b>Yes</b>	<b>Patzer</b>	<b>Yes</b>	<b>Jordan</b>	<b>Yes</b>
<b>Elder</b>	<b>Yes</b>	<b>Davis</b>	<b>Absent</b>	<b>Hoskins</b>	<b>Absent</b>

**Motion carried.**

The LCDC Board entered into Executive Session at 4:38 p.m. Those present were the LCDC Board of Commissioners, and LCDC legal counsel Danielle Quade. Ex. Director Berns was invited into Executive Session just prior to the session’s conclusion.

Deliberations were conducted regarding the performance review of the executive director.

No action was taken in Executive Session and the LCDC Board returned to regular session at 5:05 p.m.

Following the Executive Session, the following motion was made re. modifications to the LCDC Executive Director’s compensation package:

**Motion by Commissioner Colwell, seconded by Commissioner Patzer, to make the following adjustments to the LCDC Executive Director’s compensation package:**

- **Authorize a 3% annual compensation increase.**
- **At the choice of the Executive Director, the 3% increase can be used as a salary increase, or an increase to the employer’s contribution to the Executive Director’s 401k plan.**

Board members commended Executive Director Berns for his performance as LCDC Executive Director, and thanked him for his continued contributions to the organization.

**Motion carried**

12. ADJOURN

**Motion by Commissioner Hassell, seconded by Commissioner Jordan to adjourn. Motion carried.**

The LCDC Board meeting adjourned at 5:10 p.m. Minutes prepared and submitted by Tony Berns.