



## SPECIAL CALL BOARD MEETING

WEDNESDAY SEPTEMBER 28, 2016 12:00 P.M.

COEUR D'ALENE CITY HALL

OLD COUNCIL CHAMBERS

### MEETING MINUTES

#### 1. CALL TO ORDER

Chairman Hoskins called the **ignite cda** Special Call Board meeting to order at 12:00.

**ignite cda** board members present: Armon, Davis, Hoskins, Jordan, Druffel, Metts, Widmyer.

**ignite cda** staff present: Berns **ignite cda** legal counsel present: Quade

#### 2. LAKE DISTRICT BOND – WASHINGTON TRUST BANK REFUNDING OF LAKE DISTRICT BOND

*Background: The Lake District Bond (“Note”) is currently held by Washington Trust Bank. The current principal of the Note is approximately \$8.7 million with a current interest rate of 3.26%. There is no pre-payment penalty associated with the Note. The Note has an interest rate reset provision that occurs September 30, 2016 wherein the interest rate resets at a rate between 3.75% and 5.75% based on a formula contained within the Note document. Given both the pending interest rate reset provision and the no prepayment penalty provision, the **ignite cda** board chose to seek Note refunding proposals from interested financial institutions. Washington Trust Bank’s refunding proposal was selected with the following refunding parameters:*

bank	Mountain West	Banner Bank	Washington Trust
loan amount \$	\$8,700,000	\$8,700,000	\$8,700,000
loan term	5 years	5 years	5 years
	5 year maturity: semi annual payments	5 year maturity: semi annual payments	5 year maturity: semi annual payments
loan fee \$	1,000	5,437.50	0
bank attorney fees	\$5,000-\$7,000	3,000	2,500
collateral / covenants	Lake District tax increment pledge debt service reserve fund @ 10% of P reserve amount reviewed annually	Lake District tax increment pledge debt service reserve fund @ 10% of P	Lake District tax increment pledge debt service reserve fund @ 10% of P reserve amount reviewed annually annual fund balance of \$1M, decreasing by 1/5 per year
tax exempt interest rate	<b>2.30% fixed for loan term (held until 10/21/16)</b> <i>est. total interest paid for loan term = \$518,162</i> <b>2.40% fixed for loan term (held until 12/19/16)</b> <i>est. total interest paid for loan term = \$541,124</i>	<b>2.49% fixed for the loan term</b> <i>est. total interest paid for loan term = \$561,821</i>	<b>1.25% fixed for loan term (immediate change from current rate)</b> <i>est. total interest paid for loan term = \$279,236</i>
Participation	lead bank not willing to participate	lead bank willing to participate	lead bank willing to participate
pre-payment penalties	<b>yes</b> 3/3/3/2/1*	<b>no</b>	<b>no</b>
	* If full payoff is desired prior to maturity, the pre-payment penalty would be:		
	- 3% of the then outstanding principal balance in years 1, 2, and 3		
	- 2% of the then outstanding principal balance in year 4		
	- 1% of the then outstanding principal balance in year 5		

Resolution 16-09: Authorizing Amended and Restated Revenue Allocation Note, Series 2016 and Third Amendment to the Note Purchase and Security Agreement.

**Motion by Commissioner Armon, seconded by Commissioner Widmyer, approving Resolution 16-09 authorizing the Amended and Restated Revenue Allocation Note, Series 2016 and Third Amendment to the Note Purchase and Security Agreement.**

**Roll Call:**

<b>Goodlander</b>	<b>Absent</b>	<b>Davis</b>	<b>Abstain</b>	<b>Druffel</b>	<b>Yes</b>
<b>Widmyer</b>	<b>Yes</b>	<b>Metts</b>	<b>Yes</b>	<b>Armon</b>	<b>Yes</b>
<b>Jordan</b>	<b>Absent</b>	<b>Hoskins</b>	<b>Yes</b>		

**Recusal – Commissioner Davis recused himself from voting on Resolution 16-09 because his law firm works with Washington Trust Bank on matters unrelated to this agenda item.**

**Motion carried.**

**3. BUDGET WORKSHOP**

*Note: Commissioner Jordan joined the board meeting at 12:15.*

**Ignite cda** board members discussed several issues related to the Fiscal Year 2017 (FY17) budget and also discussed facets of the budgeting process.

Fiscal Year 2018 (FY18) budget: board workshop

- Commissioner Widmyer shared that he thinks it would be valuable to hold a board FY18 budget workshop next June prior to the board’s formal review of a draft FY18 budget at the July, 2017 board meeting. Commissioner Widmyer suggested that a board workshop of this nature might only be required every three years or so to allow potential new board members the opportunity to better understand the agency’s budgeting process.

- Commissioner Druffel sees value in possibly holding annual workshops if budget issues so warrant.

#### Government Relations Contract Services

Ex. Director Berns shared that there is currently \$23,000 budgeted in the FY17 budget for government relations contract services.

- Commissioner Druffel shared that he is not sure the agency needs to spend money on this type of contract service for FY17.
- Commissioner Davis shared that the last legislative session was very busy re. urban renewal matters, and he understands that the upcoming 2017 legislative session will once again focus on urban renewal issues. Commissioner Davis shared that he thinks the newly adopted “specificity” language pertaining to new urban renewal plans will generate discussion next session. Commissioner Davis sees value in having contracted government relations experts focus on urban renewal matters in unison with the Association of Idaho Cities (AIC). A possible venue would be to engage a government relations expert once the session gets underway and the agency gains a better understanding of the urban renewal issues to be discussed.
- Commissioner Widmyer suggested that the agency postpone entering into any government relations contracts at this point, but agrees with Commissioner Davis in that if an issue arises during the session that would benefit from focused contract efforts, then the agency engage a government relations person.
- Commissioner Jordan asked what type of services/products does AIC provide the City during the session?
  - Commissioner Widmyer shared that the AIC Ex. Director is very customer focused, and keeps the member cities in AIC in the loop during the session with weekly updates and calls for action.
    - Commissioner Jordan asked if the City of CDA could forward the weekly AIC updates to the **ignite cda** board?
      - Commissioner Widmyer will pass that request along to AIC.

#### **ignite cda** Legal Counsel

- Commissioner Davis shared that the City of CDA several years ago encouraged the **ignite cda** board to engage separate legal counsel to represent the agency. Danielle Quade with Hawley-Troxell was engaged by the agency at that time. Commissioner Davis feels that separate legal counsel for the agency is needed on quite a few fronts. The agency is a separate legal entity from the city and works with the city on many initiatives, and sometimes the agency has different positions / interests from the city which requires the expertise of separate legal counsel. Commissioner Davis sees great value in the agency retaining separate legal counsel.
- Commissioner Armon also sees great value in the agency retaining separate legal counsel. Mrs. Quade is highly qualified and possesses a stellar municipal government background which is of great benefit to the agency.

- Commissioner Widmyer also supports the agency keeping outside legal counsel, and encourages the agency's legal counsel to continue to work closely with the city's legal counsel, seeking collaboration on issues where appropriate.
- Commissioner Druffel also supports the agency retaining separate legal counsel.

Jobs Plus Contract

**Motion by Commissioner Armon, seconded by Commissioner Jordan, to increase the annual Jobs Plus contract amount in FY17 from \$2,000 to \$5,000, with the \$3,000 increase being comprised of \$1,500 formally budgeted for the ULI-Idaho contract, and \$1,500 formally budgeted for board travel. Motion carried.**

4. ADJOURN

**Motion by Commissioner Davis, seconded by Commissioner Armon, to adjourn. Motion carried.**

The **ignite cda** Board meeting adjourned at 1:10 p.m. Minutes prepared and submitted by Ex. Director Berns.