

This regular meeting of the Jerome Urban Renewal Agency was called to order at 3:00 p.m.

Present were Chairman Marjorie Schmidt, Commissioner Kathy Cone, and Commissioner Gary Warr. Commissioner Jason Peterson joined the meeting by teleconference at 3:37 p.m. and Commissioner Carl Morrell was excused.

Also present were City Clerk Bernadette Gomes, City Administrator Mike Williams, Assistant Finance Director Michelle Frostenson, and Legal Counsel Ryan Armbruster.

CONSENT CALENDAR:

Items in the consent calendar are as follows:

- A. Approve minutes of the February 1, 2018 regular meeting
- B. Review and approve claims for February, 2018
City of Jerome, \$993.27; Elam and Burke, Inc., \$1,120.60
- C. Review and approve financial reports for February, 2018

Commissioner Warr made a motion to approve the consent calendar as presented. Second to the motion was made by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Commissioner Warr, Chairman Schmidt, and Commissioner Cone. **NAYES:** None.

PRESENTATION OF AUDIT REPORT – LAURIE HARBERD:

Ms. Laurie Harberd presented the audit report for Fiscal Year ending September 30, 2017. The auditor report on pages 1 and 2 showed a modified, or clean, opinion with no material misstatements as part of the audit. Financial statements were audited with the responsibility of statements falling upon the agency. The report states the audit was conducted in accordance with generally accepted auditing standards and government auditing standards, and determined that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles.

The Management Discussion Analysis is found on pages 3-8, written by management and not audited but reviewed for reasonableness. Full accrual financial statements are on pages 9-10. The Statement of Net Position lists all assets and liabilities of the agency as of September 30, 2017. There is a negative net position number because the agency will be collecting property taxes to help pay for the long-term debt. As the debt gets paid down, this number will improve. The Statement of Activities shows the total expenses for the agency, \$811,736, as well as property taxes collected and investment earnings to help offset those expenses. The change in net position increased by \$805,000 for the year.

The modified accrual statements on pages 11-12 show current resources and liabilities and is split out by areas. Area 2 shows a positive fund balance of approximately \$2.5 million, Area 3 shows a negative fund balance of -\$7,900 and Area 4 shows a negative fund balance of -\$12,600. The Statement of Revenues and Expenditures shows net profits for Areas 2 and 3 and a net loss in Area 4. Notes to financial statements are on pages 13-20; these include the summary of significant accounting policies, notes on cash and investments, information regarding the long-term liabilities of the agency and inter-fund transfers and balances. Budgetary comparison schedules are on pages 21-22 for Areas 2 and 3; Area 4 had no budget. Both areas did well

compared to budgeted figures. Pages 24-25 show the second audit report for internal control over financial reporting; no material weaknesses were found. No instances of non-compliance were found.

She concluded that management was responsible for the selection and application of accounting policies, and there were no difficulties encountered in working with management.

Commissioner Cone made a motion to accept the audited financial statements for Fiscal Year 2017 and authorize the assistant finance director to file it with the Bond Trustee and the State Legislative Services Offices. Second to the motion was made by Commissioner Warr. After consideration the motion passed unanimously by the following vote: **AYES:** Commissioner Warr, Chairman Schmidt, and Commissioner Cone. **NAYES:** None.

APPROVE PRELIMINARY CALENDAR YEAR REPORT:

Mr. Williams stated a few capital projects were completed in the last fiscal year; \$489,000 was spent towards the S. Tiger road. The annual calendar report of activities will be presented to the board on March 22, 2018 at 3:00 p.m. and open for public comment. He stated while there was not much activity, a lot of planning took place for future projects. The S. Tiger road project will be one of the activities for this fiscal year. Mr. Armbruster asked for a motion to authorize staff make the annual report available to the public.

Commissioner Warr made a motion to authorize agency staff to complete required public outreach efforts regarding the annual report and its exhibits and set a date for a meeting of the agency to take any public comment that comes either in writing or in person, on March 22, 2018 at 3:00 p.m. Second to the motion was made by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Commissioner Warr, Chairman Schmidt, and Commissioner Cone. **NAYES:** None.

PUBLIC COMMENT ON ANNUAL REPORT:

Chairman Schmidt confirmed the date for public comment will be March 22, 2018 at 3:00 p.m.

LEGISLATIVE UPDATE:

Mr. Armbruster reported there have been no direct bills which impact urban renewal. There was one bill concerning limitations on funds to be used for a multi-purpose stadium but it may not go anywhere. Other bills that will impact public entities are:

HB556 – this would have allowed the county commissioner to approve personal property tax exemptions for those entities not already exempted under current statute. The bill was pulled from the agenda of the House Revenue and Taxation Committee and is subject to the call of the chair of said committee; this maneuver does not kill the bill but allows the sponsors to try to resurrect it before sessions conclude.

HB420 – this bill would have, by statute, allowed public entities to dispense with newspaper publication notices and place notices on websites. It failed in House State Affairs and was opposed by media organizations and newspaper groups. It may happen in the future but not at this time

One bill of interest includes technical changes to open meeting laws; they could be applied to all entities adopted by governor executive order. The process for meeting amendments could change as well. Currently, the law allows for an agenda to be amended by vote; this bill would require the issue added to be an emergency or added to an agenda without any formal action taken on it. Additionally, an agenda may need to specifically identify items that will be active (i.e. indicate “motion indicated” or “resolution to be approved”) to promote transparency.

Another bill, is in regard to a technical change to the public records law concerning custodians. It passed the Senate and is now in the House. And another bill making some headway is in regard to conflict disclosure by public officials; it may not apply to urban renewal agencies.

Other bills of interest discuss lobbyists and elections. One the bills was to prevent school districts and the state from hiring lobbyists; the bill has been expanded to include every public entity. It was just recently introduced and is in House State Affairs. Another bill, most likely not applicable to the Jerome Urban Renewal Agency, concerns elections on bond issues. Public dollars will not be allowed for lobbying for the passage of a bond obligation. Public dollars could still be used to inform the public. If an agency were supportive of a bond election, public dollars could not be used to advocate said support.

A potential bill on bond elections will not allow a bond to come back for election for eleven months if it fails initially. A bill regarding land use planning will specifically state that a land use decision cannot be subject to initiative or referendum. For example, a group in Ada County is trying to undue a land use decision by way of initiative; this would not longer be permitted. A sales tax bill which passed the House would require vendors to pay sales tax on online sales.

The conformity bill passed the Senate and is onward to the governor’s office for signatures. It conforms Idaho tax law to the U.S. Congress law; there will be some personal and corporate tax rate cuts which will benefit Idaho taxpayers. The state would have received a windfall of \$100 million with the way the federal tax law worked, and will see an additional \$100 million in tax cuts by virtue of the corporate tax rate reduction. The tax bill in Idaho reinstates the child tax exemption.

There is hope the legislature will adjourn in mid-to-late March. There has not been much activity with the exception of some housekeeping items. One bill amended but still alive on the House side is in regard to city annexations. In order for a city to annex agriculture land in, they must first have consent from the land owner; forced annexations would not be allowed.

FINANCIAL REPORT:

Ms. Frostenson reported little activity. On April 1st the bond payment is due; it will be paid by March 15th and she reminded the board that an additional 20% of the remaining bond balance will also be sent. For example, the April 1st payment on the 2008 Series A Bond will be approximately \$373,000 instead of \$134,000 and the 2008 Series B payment will now be \$745,000 instead of \$272,252

STAFF REPORT:

Mr. Williams stated staff is working on a reimbursement agreement with Commercial Creamery for their project, and a potential project with the Oppenheimer Development Corporation may also have a reimbursement agreement signed in 2018. Both are exciting projects

as they are within Area 3. He also stated that the board had approved the decision to pay an additional 20% on the bond payments at the last meeting; this will expedite total payment with a significant savings in interest.

Regarding the Idaho Milk Products (IMP) project, Mr. Williams stated they are adding a fleet of vehicles and hiring drivers and putting in pasteurization equipment. This will be a \$13 million project with twenty new jobs. They are applying for the Tax Incentive Reimbursement (TIR) through the state which will require a community match or commitment. They have requested an additional flow of 30,000 gallons to support the pasteurization project, and assessed fees for the additional flow, a total amount of \$39,900, will count as the match for their TIR application. Staff has a letter prepared for Chairman Schmidt to sign to demonstrate the agency's willingness to commit to the match, and Chairman Schmidt agreed to sign. Mr. Williams stated the work being done at IMP is impressive.

Mr. Williams stated the S. Tiger roadway design is proceeding; staff is close to publishing a request for bids. One unresolved issue involves the right-of-way, and staff hopes for a resolution soon. A different solution may be necessary in order to get the project done in a timely manner. Construction costs are higher than last year, but staff is hopeful that this project will be within the \$1 million budget range. This project may be re-bid if necessary depending on the bids that do come in. Grant funding was approved from the Idaho Office of Emergency Management; the overlay project is approximately \$300,000 worth of work and grant funds can be applied towards the project. There have been some delays with the right-of-way issue and staff illnesses.

Regarding the Commercial Creamery agreement, they are behind in their schedule. There was a separation from their engineer and builder which set them back. Staff is hopeful that drawings of the sewer line reroute will be received soon and that a reimbursement agreement will be ready for review at the next agency meeting on March 22nd.

EXECUTIVE SESSION:

Commissioner Warr made a motion to adjourn to executive session pursuant to Idaho Code 74-206(e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations at 3:40 p.m. Second to the motion was made by Commissioner Cone. After consideration the motion passed unanimously by the following vote: **AYES:** Commissioner Warr, Chairman Schmidt, Commissioner Morrell, Commissioner Peterson and Commissioner Cone. **NAYES:** None.

RECONVENE:

The Jerome Urban Renewal Agency meeting reconvened at 3:47 p.m.

ADJOURN:

There being no further business to discuss, Chairman Schmidt adjourned this March 1, 2018 regular meeting at 3:48 p.m.

Chairman Marjorie Schmidt

Secretary Jason Peterson