

Welcome to tonight's City Council meeting!

The elected officials of the City of Bonners Ferry are appreciative of an involved constituency. Testimony from the public is encouraged concerning issues when addressed under the Public Hearing portion of the agenda. Any individual who wishes may address the council on any issue, whether on the agenda or not, during the Public Comments period. Normal business will preclude public participation during the business portion of the meeting with the discretion left to the Mayor and Council. Special accommodations to see, hear, or participate in the public meeting should be made at City Hall within two days of the public meeting.

Vision Statement

Bonners Ferry, "The Friendliest City", strives to achieve balanced growth, builds on community strengths, respects natural resources, promotes excellence in Government, and values quality of life. We are a city that welcomes all people.

AGENDA CITY COUNCIL MEETING Bonners Ferry City Hall 7232 Main Street 267-3105 March 16, 2021 6:00 pm

Join video Zoom meeting: <https://zoom.us/j/17672764>

Meeting ID: 176727634

Join by phone: 253-215-8782

PLEDGE OF ALLEGIANCE

GUEST

III-A – Annual report presentation

PUBLIC COMMENTS

Each speaker will be allowed a maximum of three minutes, unless repeat testimony is requested by the Mayor/Council

REPORTS

Police/Fire/City Administrator/City Engineer/Economic Development Coordinator/Urban Renewal District/SPOT/Golf

CONSENT AGENDA – {action item}

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the March 2, 2021 Council meeting minutes and March 8, 2021 Special Council meeting minutes
4. Treasurer's Report

OLD BUSINESS

5. **City** – Consider wage for meter reading {action item}

NEW BUSINESS

6. **Pool** – Consider authorizing the Mayor to sign the Equinox grant application (attachment) {action item}
7. **City** – Consider 2021 pilot program for the downtown parklets (attachment) {action item}
8. **City** – Consider authorizing the Mayor to sign the postage meter lease with Quadient Leasing (attachment) {action item}
9. **City** – Consider opening the Visitors Center May 17, 2021 {action item}
10. **City** – Consider extending the Employee COVID Leave Policy (attachment) {action item}

ADJOURNMENT

INFORMATION

Urban Renewal Report and Audit

**MINUTES
CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
March 2, 2021
6:00 pm**

Mayor Dick Staples called the Council meeting of March 2, 2021 to order at 6:00 pm. Present for the meeting were: Council Members Adam Arthur, Valerie Thompson, Rick Alonzo and Ron Smith. Also present were: City Attorney Andrakay Pluid, City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport, Police Chief Brian Zimmerman, and City Engineer Mike Klaus. Members of the public present were: Bruce Merrifield, Rose Shababy, Victor Martinez and Fay Almond.

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PLEDGE OF ALLEGIANCE

REPORTS

City Engineer Mike Klaus provided a report that was a review of some recent water concerns. Mike read mostly from a written report that was also provided to the Bonners Ferry Herald and the Kootenai Valley Times. Mike discussed the following topics in the report; safe drinking water, IDEQ contact information, the reasons for the recent calcium testing, extent of well testing performed in the past, the need for more lead and copper testing sites, etc. Mike explained that the well was drilled as a backup/requirement by DEQ as an alternative water source. The City's goal is to provide the best water possible to our customers. Myrtle Creek is still the primary water source, but the new well maybe used during high turbidity levels, emergencies or when necessary. Valerie asked if we have historical testing on our website. Mike said the consumer confidence/water quality report is required for the previous year and is on the City's website.

PUBLIC COMMENTS

There were no public comments

CONSENT AGENDA – {action item}

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the February 16, 2021 Council meeting minutes

Adam Arthur moved to approve the consent agenda. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

OLD BUSINESS

4. **City** – Consider wage for meter reading {action item}

Mayor Staples requested to have this on the agenda again because he wants Council to re-consider the rate. Ron suggests creating a Front Desk Clerk/Meter Reader position. Mayor Staples agrees. Adam asked if the Billing Clerk should be doing the meter reading. Christine said it was discussed but with the current software, she has a lot of work that needs to be completed on the computer the same time that the meter reading needs to happen. Adam is not sure how you compensate for people covering for a position. Mayor Staples wants to have one rate of pay instead of a separate rate for meter reading. Valerie wants to see some numbers and talk to the staff before making a decision. Mayor Staples tabled this item to the next meeting.

NEW BUSINESS

5. **Water** – Discuss usage of the Dakota Street Well
Mayor Staples said this was covered during the reports.

6. **Pool** – Consider City pool manager position (attachment) {action item}

Lisa said this came as a request to extend the use of the pool. The three main expense areas are: wages, supplies and utilities. This position will include the head life guard position, training the lifeguards, chemical testing and water levels. Lisa wants the Street Department to take over the responsibility of the pool. Lisa spoke with different groups that may be willing to help pay for some of the pool costs. Equinox is interested in helping. Valerie asked if Standard Operating Procedures will be created. Lisa said that is a goal. Valerie said since lifeguard training is a struggle, will this be a possible income source. Rick said one of the main problems is the lifeguards going back to college. Adam said if we can stay within budget and do this, he is all for it. Adam Arthur moved to create a pool manager position with the pay range of \$15.00 - \$17.00 per hour. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

7. **City** – Consider affirming the Mayoral appointments for Steve Nelson and Gerry Ann Howlett to the Golf Committee and Richard Hollenbeck and Don Lindsay to the Traffic Safety Committee for two-year terms {action item}
Valerie Thompson moved to approve the Mayoral appointments of Steve Nelson and Gerry Ann Howlett to the Golf Committee and Richard Hollenbeck and Don Lindsay to the Traffic Safety Committee pending their acceptance. Rick Alonzo seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

8. **Executive Session** – To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement {action item}

Rick Alonzo moved to enter in executive 74-206 Subsection (f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. Ron Smith seconded. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

Enter into executive session at 6:49 pm.

Executive session ended at 7:48 pm with no action taken.

ADJOURNMENT

The meeting adjourned at 7:48 pm

**MINUTES
SPECIAL CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
March 8, 2021
5:00 pm**

Mayor Dick Staples called the Special Council meeting of March 8, 2021 to order at 5:00 pm. Present for the meeting were: Council Members Rick Alonzo, Adam Arthur, Valerie Thompson and Ron Smith. Also present were: City Engineer Mike Klaus, City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport.

Join video Zoom meeting: <https://zoom.us/j/17672764M>

Meeting ID: 176727634

Join by phone: 253-215-8782

NEW BUSINESS

1. **Water** – Consider authorizing the Mayor to sign the contract with Water Systems Management for water plant operations (attachment) {action item}

Lisa said DEQ changed our water treatment plant classification to a level 3. Since we don't have an operate that is a level 3 that can perform the duties required by DEQ, Lisa spoke with Water Systems Management to assist the City until DEQ modifies the classification to a level 2. Mayor Staples said the contract price is very good. Ron asked what this means for the current employees. Mike said the current employees won't be affected by the contract. Mike is hoping to provide DEQ with the documentation to modified the classification back down to a level 2. Adam asked how long it will be before one of our employees will be a level 3. Mike said there is one employee that is currently studying for the level 3 test. There are two other employees that will be qualified to take the exam in two – three years. Valerie Thompson moved to authorize the Mayor to sign the contract with Water Systems Management for water plant operations. Rick Alonzo seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

2. **City** – Consider refund request by Payton Chaffin {action item}

Christine asked if Council had any questions regarding the memo. Rick said he was happy they were worried about being late. Valerie said since they were trying to do what was right and it created a hardship, she wants to give them the refund. Rick Alonzo moved to approve the refund request by Payton Chaffin. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

ADJOURNMENT

The meeting adjourned at 5:09 pm



MEMO

CITY OF BONNERS FERRY
OFFICE OF THE CITY ADMINISTRATOR

TO: Mayor and City Council
FROM: Lisa Ailport, City Administrator
DATE: March 10, 2021
RE: Equinox Application for 2021 Extended Pool Season

Staff would like permission to apply to the Equinox Foundation for an operations grant to extend the 2021 pool season for three additional weeks. In addition, staff would also like to request to purchase an AED for the pool facility.

Staff estimates that the pool will cost an additional \$4,300 per week to operate with staff, pool chemicals, and utilities costs. With the permission of the City Council, staff will request to the Equinox Foundation for a total of \$14,900.00, including an Automated External Defibrillator (AED) in the amount of ±\$1,750.00. The attached draft budget is presented to Council for consideration of the cost breakdown.

If supported, the pools season could be extended from August 14 through September 4, provided we can staff the pool with guards. Staff is optimistic that our new pool manager will be able to continue to staff the facility into September.

If Council supports this direction, a motion to authorize staff to prepare and the Mayor to sign the application for the Equinox Foundation requesting \$14,900.00, is requested.

Please let me know if you have any questions.

INNOVIA FOUNDATION

ORGANIZATION NAME: CITY OF BONNERS FERRY

TOTAL AMOUNT REQUESTED FROM INNOVIA FOUNDATION: 14,900.00

Instruction 1: Expense categories should be specific to the budget request. The line items shown below are for illustrative purposes only.

Instruction 2: If the amount requested from Innovia Foundation is not 100% of the project budget, please indicate other funding amounts here.

Instruction 3: Identify other funding sources by name. Indicate whether the funding source is committed (C) or pending (P).

Instruction 4: Only fill out this column in the final report, not in the initial grant application. Please demonstrate whether the received funding was used for the or

Instruction 5: Only fill out for expenditures that are different than the original request. For example, if \$5000 was requested to purchase food, but \$4000 was actu explain that here.

Expense Categories - see Instruction 1	Amount Requested from Innovia Foundation	Amount From Other Sources - see Instruction 2	Identify Other Funding Sources (Pending or Committed) - see Instruction 3	Total Project Budget	Description
Staff Labor	\$8,000.00	\$0.00		\$8,000.00	
Utilities- Gas for heat	\$1,050.00	\$0.00		\$1,050.00	
Utilities- Water	\$2,400.00	\$0.00		\$2,400.00	
Chemicals- Chlorine	\$1,200.00	\$0.00		\$1,200.00	
Other- incidentals	\$500.00	\$0.00		\$500.00	
AED- Zoll AED 3	\$1,750.00	\$0.00		\$1,750.00	
	\$0.00	\$0.00		\$0.00	
	\$0.00	\$0.00		\$0.00	
	\$0.00	\$0.00		\$0.00	
	\$0.00	\$0.00		\$0.00	
	\$0.00	\$0.00		\$0.00	
TOTAL	\$14,900.00	\$0.00		\$14,900.00	



MEMO

CITY OF BONNERS FERRY
OFFICE OF THE CITY ADMINISTRATOR

TO: Mayor and City Council
FROM: Lisa Ailport, City Administrator
DATE: March 10, 2021
RE: City Parklet Program – Pilot

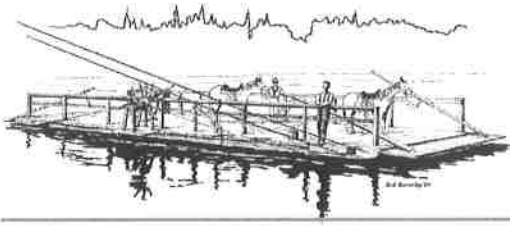
Last year the Council agreed to a 1-year pilot program to allow parklets in downtown. The parklet concept allows business to take over on-street parking along designated streets to accommodate outdoor seating for patrons of the business or the public. Staff developed some parameters to encourage proper use of the space and to ensure the seated public was protected from the traveling public.

Unfortunately, the program was not adopted by any local business last year likely due to circumstances around COVID-19. Staff is requesting approval to try the pilot program again this year. The pilot program gains us great insight into the parameters around parklets so that should future code be considered it will align with what works best for the city and businesses.

Attached to this memo is the memo from January 2020 and the exhibit that went along with the Memo. The exhibit includes the pilot parameters that business would adhere to as part of the program. Most notable is the program would run from April 1-October 1st. Any business contemplating this program would be encouraged to apply to the city and start the process of approval.

If supported, a motion to authorize approval of the pilot program for parklets and the parameters developed by staff for the 2021 summer season, including making parklets available for use from April 1-October 1, 2021, would be required.

Please let me know if you have any questions.



CITY OF BONNERS FERRY

7232 Main Street
P.O. Box 149
Bonners Ferry, Idaho 83805
Phone: 208-267-3105 Fax: 208-267-4375

TO: Mayor and City Council

FROM: Lisa Ailport, City Administrator *LMA*

DATE: January 31, 2020

RE: Parklet Summer Pilot Program

Staff has prepared the attached draft standards for implementing a pilot program this summer for the introduction of "Parklets" along Main Street in downtown.

The purpose of the program is to gauge the level of commitment from business owners and public on the success of this type of program. The concept of a Parklet is to utilize the public curb-side parking in a different way than only parking provides.

Parklets are, according to the National Association of Transportation Officials, "Public seating platforms that convert curbside parking spaces into community spaces. Also known as street seats or curbside seating, parklets are the product of a partnership between the city and local businesses..."

The program is anticipated to involve the development of an agreement with the neighboring business owners and the city that would include standards, such as the attached draft standards, as well as an indemnification form and operational standards, such as remaining open to the public, the ability to serve alcohol and any other areas that come up as part of the construction of the agreement.

At this time, I am asking that Council provide staff with some feedback on the support for such a program. If Council is supportive of the idea, then staff will work with local businesses owners to pull together the structure of the agreements and finalize the standards for the program to implement this summer.

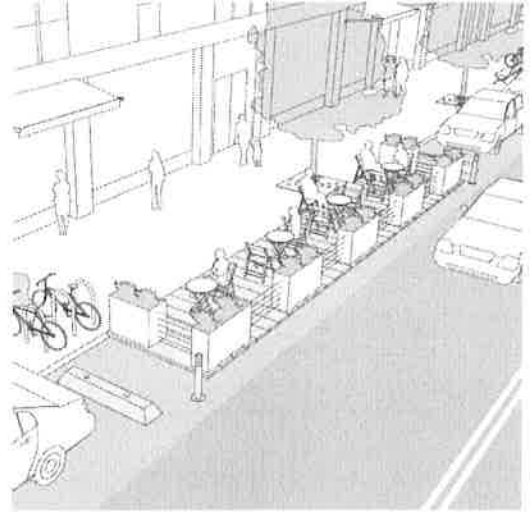
I look forward to hearing your thoughts and considerations about this idea.

Fiscal Impact Statement: The impacts of this program will be heavily driven by staff's time. No additional costs to the city are anticipated, nor would any other income be anticipated with the pilot program.

Parklet Pilot Season- Summer 2020

Parklets are, according to the National Association of Transportation Officials, “Public seating platforms that convert curbside parking spaces into community spaces. Also known as street seats or curbside seating, parklets are the product of a partnership between the city and local businesses...”

A parklet repurposes part of the street into a public space for people. They are intended as aesthetic enhancements to the streetscape, providing an economical solution to the need for increased public open space. Parklets provide amenities like seating, planting, bike parking, and art. While parklets can be funded and maintained by neighboring businesses, residents, and community organizations, they should be publicly accessible and open to all.



It is the intent of staff to propose a trial season with local downtown business to construct and utilize on-street parking spaces as parklets in specific areas of Bonners Ferry. The following guidelines will be used to test the success of the parklet areas for the summer 2020 season.

If the parklet trial period proves successful, then staff would like to bring forward enacting ordinances to establish these areas as approved uses and standard.

Parklet trial guidelines:

1. Parklets are only available for consideration in the downtown district, specifically along Main, Bonner, and Kootenai Streets. Future growth of the Parklet idea may include other areas of the city, but for the trial season, it is recommended that the use be limited to these streets.
2. To ensure visibility to moving traffic and parking cars, parklets must be buffered using a wheel stop at a desired distance of 4 feet from the parklet. This buffer may also serve as a space for adjacent property owners to accommodate curbside trash collection.
3. Parklets should have vertical elements that make them visible to traffic, such as flexible posts or bollards.



4. Parklets should have a desired minimum width of 6 feet (or the width of the parking lane). Parklets generally entail the conversion of one or more parallel parking spaces or 3–4 angled parking spaces, but may vary according to the site, context, and desired character of the installation.
5. The design of a parklet should not inhibit the adequate drainage of stormwater runoff. Small channels between the base and the platform facilitate drainage.

6. Parklets should have a flush transition at the sidewalk and curb to permit easy access and avoid tripping hazards (see adjacent photo).



7. Parklets should avoid corners parking spaces and are best placed at least one parking space away from the intersection corner.
8. Parklets should be heavy enough to make theft impossible or unlikely. Site selection should consider the level of surveillance both during the day and at night.
9. Parklet shall be removed during winter months. The installer is required to remove the parklet by no later than October 1st and should not be installed before April 1st.
10. Parklets should use a slip-resistant surface to minimize hazards and should be accessible to wheelchair users. Generally the parklet materials should be made of all-weather materials.
11. Parklet floor load-bearing weight standards should be 100 pounds per square foot.
12. Parklets should include an open guardrail to define the space. Railings should be at least 3 feet in height and no more than 4 feet in height and be capable of withstanding at least 200 feet of horizontal force.
13. Parklet siting should avoid obstructing underground utility access and electrical transformer vaults or projecting over the railing into the vehicle lane of travel. They should also allow for the free flow of the Cities drainage systems.
14. Parklet owners shall sign an indemnification form, holding harmless the City and its employees.
15. Parklets should not encumber the neighboring sidewalk, and should not inhibit the free flow of pedestrian traffic.

Customer

Organization	CITY OF BONNERS FERRY		
DBA			
Address	PO BOX 149		
City State Zip	BONNERS FERRY	ID	83805-0149
Phone	(208) 267-3105	Fax	

Purchase Order - Lease

NASPO/ValuePoint Contract #: ADSP0 16-169901
 and / or
 State Participating Addendum (PA) #:
 PADD18200408 (ID)

Vendor

Company Name	Quadient Leasing USA Inc.	FEDERAL ID#	94-2388882
Attention	Government Sales	DUNS#	150836872
Address	478 Wheelers Farms Rd		
City State Zip	Milford	CT	06461
Phone	(866) 448-0045	Fax	(203) 301-2600

Ship To

Organization	CITY OF BONNERS FERRY		
Attention	CHRISTINE MCNAIR		
Address	7232 MAIN ST		
City State Zip	BONNERS FERRY	ID	83805-5019
Phone	(208) 267-3105	Email	CMCNAIR@BONNERSFERRY.I

P.O. Number	P.O. Date	Requisitioner	Shipped Via	F.O.B. Point	Terms
			Ground	Destination	Quarterly Invoicing
QTY	Unit	Description	Unit Price	Total	
60	Months	Lease Payment	\$109.30	\$6,558.00	

Lease payment specified above for products listed below includes, as applicable, reduced price equipment maintenance to reflect first year free, meter rental, meter resets, postal rate changes, software license/support/subscription fees, delivery, installation, and operator training.

Products

QTY	Product ID	Description
1	IX3-P5	iX-3 Series Base w/5lb Integrated Weigh Platform, Moistener & Catch Tray
1	IX3DW5	iX-3 Base 5lb Differential Weighing
4	IXINK357	IX-3/5/7/7PRO Series Standard Ink Cartidge

- Order is governed under the terms and conditions of the NASPO/ValuePoint Master Price Agreement Contract Number ADSP016-169901. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
- Payments will be sent to:
 Quadient Leasing USA Inc.
 Dept 3682
 PO Box 123682
 Dallas TX 75312-3682
- Send all correspondence to:
 Quadient Leasing USA Inc.
 478 Wheelers Farms Rd
 Milford CT 06461

 Authorized by Date

 Print Name Title

Interim Employee Leave Policy Relating to the COVID-19 Pandemic

The City of Bonners Ferry would like to address the areas of paid leave available to employees who need to be away from work during the COVID-19 pandemic. There have been some concerns with how an employee's PTO and/or sick bank time may be affected as we navigate COVID-19 in the coming weeks and months. For purposes of this policy, the city will make this policy available to all full time hourly and salaried employees' opportunities for paid leave for specific areas identified in this policy. Additionally, seasonal or part time employees will benefit from portions of this policy as well.

This policy shall remain available to employees from the date of adoption by City Council through June 30, 2021. City Council may, at their discretion, extend this policy to a future date. Council also may retract this policy, provided changes in the condition around the virus change as well.

Please know that we continue to examine the situation and assess how we can best support our employees we ask for patience and understanding. Should we need to make additional adjustments due to new information, legislation or state mandates, we will work to address those as soon as we can.

I. Employees who Exhibit Flu Like Symptoms:

Employees who exhibit symptoms of influenza-like illness at work are recommended to seek medical attention and strongly advised to be tested for COVID-19. Additionally those employees, who exhibit symptoms of influenza-like illness during work, should leave the workplace and remain at home until they are symptom-free for at least 72 hours and/or provide medical clearance to the city. Further quarantining may be necessary and the employee, working with their Supervisor, shall determine the proper time frame for returning to work.

If an employee exhibits any of the following symptoms the city may recommend that the employee seek medical attention and strongly advise the employee to be tested for the COVID-19 (based on CDC website):

- Fever;
- Cough;
- Shortness of breath

II. Policy for use of Paid Time Off during COVID-19 Pandemic

The following summarizes the varying degrees in which the COVID-19 virus will affect employees PTO and sick bank time.

- 1. Employees who are diagnosed with COVID-19:** This section is offered to any employee who is subject to a COVID-19 quarantine or isolation order. Any employee who is diagnosed with the COVID-19 and can demonstrate such diagnosis through proper medical testing is eligible for paid time off for a maximum 30-days-80

hours or (10) working days to recover. The city will not require the employee to use their PTO or sick bank time as part of this policy.

Communication with the City shall occur via email or phone, as the employee is not encouraged to return to their place of work until compliance with the "returning to work" section of this policy.

Returning to Work

Employees who have contracted COVID-19 should remain at home until they are symptom-free for at least 72 hours and provide medical clearance to the city.

2. Employees who are not diagnosed with COVID-19, but are not able to work:

Employees who are not diagnosed with a confirmed case of COVID-19, but unable to work under the following scenarios are granted two weeks of paid time off, or ten (10) working days away from their positions and the city will not require the employee to use their PTO or sick bank time.

This policy applies to both full time hourly employees, salaried employees, part time and seasonal employees. Part time employees shall receive a prorated share of time off that is reflected of their typical scheduled hourly week:

- Employee who have symptoms of the flu, but waiting on results for COVID-19 testing;
- Employee who have symptoms of the flu, but are not positive for COVID-19;
- Employees who are responsible for care giving for someone who has COVID-19;
- Employees who have come in close contact with someone who is confirmed COVID-19;
- Employees who have been advised by a health care provider to self-quarantine due to COVID-19 concerns;
- An employee caring for a child whose school or place of care is closed or the child care provider of the child is unavailable, due to COVID-19 precautions.
- Employees who are quarantined at the direction of the city, via a Supervisor, City Administrator or the Mayor.
- Employees who provide written request for leave due to avoiding exposure to COVID-19 may be granted after approval by the Mayor.

Confirmed COVID-19 Diagnosis

If during the time frame the employee does contract the COVID-19 then the employee shall be eligible for section 1 of this policy.

Returning to Work: Employees who are exposed to someone who has COVID-19 and are not experiences symptoms may be required to test negative and be symptom free for up to 72 hours prior to returning to work.

3. Employees who are not diagnosed with COVID-19, but are not willing to work;

Non essential employees who choose not work due to personal choice or non-COVID related illness may use their PTO and/or sick bank as they normally would. The city will waive the three-day rule for use of sick bank time to be used for this purpose of self quarantining.

Designated highly skilled and essential employees- per previous adopted policy by city council include those who work in the electrical department, at the Moyie Dam and the water treatment facility. These employees will need to coordinate with their supervisor to be eligible for this section of the policy.

Essential employees whose work includes maintaining safety of human life or the protection of property will also need to coordinate with their supervisor to ensure that public health and safety are maintained. These employees include, the Police Department and Fire Department.

Absence Request Forms should still be sent to supervisors with the appropriate leave hours. A leave request form will be provided by the City.

BONNERS FERRY URBAN RENEWAL AGENCY
Bonnors Ferry, Idaho

March 10, 2021

Honorable Mayor and Council
City of Bonnors Ferry, Idaho

Dear Honorable Mayor and City Council:

The Bonnors Ferry Urban Renewal Agency is pleased to provide this annual report for 2020. Please note this is for BFURA's fiscal year ending September 30, 2020 and compares with the report presented last year.

FINANCIAL HIGHLIGHTS

The Bonnors Ferry Urban Renewal Agency adopts an annual appropriated budget for its general funds. The budget was not amended in the current year. The Board also prepared and the Council adopted the creation of a second Urban Renewal District, which should begin to see tax increment in 2021.

The following table shows a comparison of the Agency's financial position from this year to the previous:

Government -Wide Financial Analysis
Net Position of Governmental Activites

	<u>2020</u>	<u>2019</u>
Current assets	301,873	197,398
Restricted Assets	84,958	71,701
Total assets	<u>386,831</u>	<u>269,099</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Current liabilities	91,621	42,347
Noncurrent liabilities	477,196	516,781
Total liabilities	<u>568,817</u>	<u>559,128</u>
Deferred inflows of resources	<u>86,547</u>	<u>-</u>
Net position		
Restricted	84,884	84,841
Unrestricted	<u>(353,417)</u>	<u>(374,870)</u>
Total net position	<u>\$ (268,533)</u>	<u>\$ (290,029)</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of Bonners Ferry Urban Renewal Agency, total net position was (\$268,533), an improvement over the (\$290,029) the prior year.

The negative net position is a result of debt financing for assets that do not ultimately become property of the Agency; rather they become property of the city of Bonners Ferry and are reflected on the city's asset list.

The main source of income to the Agency is property tax income received from the Boundary County Assessor, based on the increase in taxes on all property in the URD since January 1, 2011.

The Agency's total revenues for the fiscal year ended September 30, 2020, were \$121,462. The total costs of all programs were \$51,664 resulting in an increase in net position of \$69,798. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2020 and 2019.

**Government- Wide Financial Analysis
Changes in Net Position**

	<u>2019-2020</u>	<u>2018-2019</u>
Revenues		
General Revenues:		
Property taxes	121,419	121,551
Interest earnings	43	40
Total Revenues	<u>121,462</u>	<u>121,591</u>
Expenses		
General government	33,576	34,996
Interest on long-term debt	18,088	19,329
Total Expenses	<u>51,664</u>	<u>54,325</u>
Change in net position	69,798	67,266
Net position - beginning	(290,029)	(357,295)
Prior period adjustment	(48,302)	-
Net position - ending	<u>\$ (268,533)</u>	<u>\$ (290,029)</u>

Delinquent taxes are collected by Boundary County for collection. Any taxes that are more than three years delinquent are collected by the County during a tax deed sale, and then remitted to the URA.

The Agency completed the year with a total governmental unassigned fund balance of \$89,019, which is down \$94,241 from the prior year unassigned fund balance of \$183,260. This is due to the Agency committing \$75,000 to the City for its FLAP grant match. The Agency created a debt service fund in 2016; the fund balance of this fund is restricted for debt service. The debt service fund ended the year with a restricted fund balance of \$84,884, which is in excess of the 150% of the annual debt service required to be restricted based on the bond covenants. Over one-half of all current revenues flowed to the General Fund for projects the City may request of the Agency.

Total governmental fund revenues decreased from the prior year by \$2,363, which was due to a decrease in property tax revenue.

Total governmental expenditures decreased from the prior year by \$1,449, due to a decrease in professional fees.

BUDGETARY HIGHLIGHTS

- The Agency had budgeted \$164,625 for public facilities and infrastructure improvements, but spent none for the year ending September 30, 2020, resulting in a variance between budget and actual expenditures of \$164,625 for this line item.
- The Agency also budgeted \$20,000 for developer reimbursements, but spent none for the year ending September 30, 2020, resulting in a variance between budget and actual expenditures of \$20,000 for this line item.

All other variances from budget to actual were immaterial.

SUMMARY OF ORGANIZATION AND OPERATIONS

Significant operational data follows:

- The District is an agency of the city of Bonners Ferry, operating under the laws of the State of Idaho. Three to nine board members are appointed by the Mayor and confirmed by the City Council. The District operates using a General Fund, a Bond Reserve Fund and a Debt Service Fund. There is also a Revenue Fund, which operates as a pass-through for the receipt of all revenues and their distribution to the other funds.
- The District's administration is contracted to the Panhandle Area Council, an economic development agency serving the five northern counties of Idaho.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Asset and debt administration highlight for the year include:

- The URA does not typically acquire capital assets but rather as an agency of the City of Bonners Ferry helps to pay for public infrastructure for the City and other entities and local or state governments.
- The URA issued debt in the amount of \$740,000 in 2014, to reimburse developers for assets paid for during the construction of the Super One Store, a project that has created over 100 new jobs. The debt was help by American West Bank (now Banner Bank) and administered by Panhandle Area Council (PAC).
- The bonds have a twenty-year amortization at \$53,000 (paid semi-annually on February 19 and August 19) with a balance due in six years. The bonds were 3.75% for the first three years and 5% for the remaining three years, when the annual payment was to increase to \$58,000.
- The Board of Directors of the Agency on May 24, 2016 agreed to refinance the remaining debt incurred in 2014 with Banner Bank (previously American West Bank), for 15 years at a fixed rate of 3.3%. The debt has a fifteen-year amortization (paid semi-annually on February 19 and August 19). Annual payments are \$56,551 for the duration of the fifteen years.

ECONOMIC FACTORS

- Growth in new tax increment is expected to slow in the next fiscal year. This is due to the expected lower levy rates of the Agencies providing tax increment, which results in lower taxes from commercial properties in the URD.

The economic outlook for the Bonners Ferry Urban Renewal District remains very strong and should continue into the future. This is because of the strong partnership between the City of Bonners Ferry, and its Mayor and City Council, and the Agency under the leadership of its Chairman Dave Walter and its Board of Directors.

Contact information may be directed to the Administrator of the Agency below.

Respectfully submitted,

John F. Austin
BFURA Administrator
(208) 651-2192 or austin.consultingcda@gmail.com

BONNERS FERRY URBAN RENEWAL AGENCY

Bonnors Ferry, Idaho

**Audited Financial Statements
For the Year Ended September 30, 2020**

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Bonners Ferry Urban Renewal Agency
Bonners Ferry, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bonners Ferry Urban Renewal Agency, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bonners Ferry Urban Renewal Agency, as of September 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Agency recorded a prior period adjustment to record an expenditure determined to have occurred in the prior year as more fully described in Note 8. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 10 and the budgetary comparison on pages 25 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2021 on our consideration of the Bonners Ferry Urban Renewal Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance

and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bonners Ferry Urban Renewal Agency's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho

March 9, 2021



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Bonners Ferry Urban Renewal Agency
Bonners Ferry, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities and each major fund of the Bonners Ferry Urban Renewal Agency, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Bonners Ferry Urban Renewal Agency's basic financial statements, and have issued our report thereon dated March 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bonners Ferry Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bonners Ferry Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bonners Ferry Urban Renewal Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bonners Ferry Urban Renewal Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
March 9, 2021

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

The management's discussion and analysis (MD&A) of the Bonners Ferry Urban Renewal Agency's financial performance provides an overall review of the Agency's financial activities for the year ended September 30, 2020. The intent of this MD&A is to look at the Agency's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Agency's financial performance.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to and should be read in conjunction with the basic audited financial statements.

The Bonners Ferry Urban Renewal Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The MD&A represents management's examination and analysis of the Agency's financial condition and performance. Summary financial statement data, the adopted budget, bond resolutions, and other management tools were used for this analysis.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Bonners Ferry Urban Renewal Agency's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Bonners Ferry Urban Renewal Agency that are principally supported by taxes. The governmental activities of the Agency include general government, developer reimbursements, and public improvements.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bonners Ferry Urban Renewal Agency, like other state and local governments, uses fund accounting to

ensure and demonstrate compliance with finance-related legal requirements. Bonners Ferry Urban Renewal Agency has only governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Bonners Ferry Urban Renewal Agency maintains two governmental funds, the general fund and the debt service fund. Information on these funds is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance.

Bonners Ferry Urban Renewal Agency adopts an annual appropriated budget for its general funds. The budget was not amended in the current year.

Notes to the Financial Statements. The notes to the financial statements provide disclosures and other information that are essential to a full understanding of material date provided in the statements. The notes present information about the Agency's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**Government -Wide Financial Analysis
Net Position of Governmental Activities**

	<u>2020</u>	<u>2019</u>
Current assets	301,873	197,398
Restricted Assets	84,958	71,701
Total assets	<u>386,831</u>	<u>269,099</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Current liabilities	91,621	42,347
Noncurrent liabilities	477,196	516,781
Total liabilities	<u>568,817</u>	<u>559,128</u>
Deferred inflows of resources	<u>86,547</u>	<u>-</u>
Net position		
Restricted	84,884	84,841
Unrestricted	<u>(353,417)</u>	<u>(374,870)</u>
Total net position	<u>\$ (268,533)</u>	<u>\$ (290,029)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bonners Ferry Urban Renewal Agency, total net position was (\$268,533), an improvement over the (\$290,029) the prior year.

The negative net position is a result of debt financing for assets that do not ultimately become property of the Agency, rather they become property of other entities and governments.

Change in Net Position

The main source of income to the Agency is property tax income received from the Boundary County Assessor, based on the increase in taxes on all property in the URD since January 1, 2011.

The Agency's total revenues for the fiscal year ended September 30, 2020, were \$121,462. The total costs of all programs were \$51,664 resulting in an increase in net position of \$69,798. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2020 and 2019.

Government- Wide Financial Analysis Changes in Net Position

	<u>2019-2020</u>	<u>2018-2019</u>
Revenues		
General Revenues:		
Property taxes	121,419	121,551
Interest earnings	43	40
Total Revenues	<u>121,462</u>	<u>121,591</u>
Expenses		
General government	33,576	34,996
Interest on long-term debt	18,088	19,329
Total Expenses	<u>51,664</u>	<u>54,325</u>
Change in net position	69,798	67,266
Net position - beginning	(290,029)	(357,295)
Prior period adjustment	(48,302)	-
Net position - ending	<u>\$ (268,533)</u>	<u>\$ (290,029)</u>

Delinquent taxes are collected by Boundary County for collection. Any taxes that are more than three years delinquent are collected by the County during a tax deed sale, and then remitted to the URA.

Governmental Funds:

The Agency completed the year with a total governmental unassigned fund balance of \$89,019, which is down \$94,241 from the prior year unassigned fund balance of \$183,260. This is due to the Agency committing \$75,000 to the City. The Agency created a debt service fund in 2016; the fund balance of this fund is restricted for debt service. The debt service fund ended the year with a restricted fund balance of \$84,884, which is in excess of the 150% of the annual debt service required to be restricted based on the bond covenants. Over one-half of all current revenues flowed to the General Fund for projects the City may request of the Agency.

Total governmental fund revenues decreased from the prior year by \$2,363, which was due to a decrease in property tax revenue.

Total governmental expenditures decreased from the prior year by \$1,449, due to a decrease in professional fees.

BUDGETARY HIGHLIGHTS

- The Agency had budgeted \$164,625 for public facilities and infrastructure improvements, but spent none for the year ending September 30, 2020, resulting in a variance between budget and actual expenditures of \$164,625 for this line item.
- The Agency also budgeted \$20,000 for developer reimbursements, but spent none for the year ending September 30, 2020, resulting in a variance between budget and actual expenditures of \$20,000 for this line item.

All other variances from budget to actual were immaterial.

SUMMARY OF ORGANIZATION AND OPERATIONS

Significant operational data follows:

- The District is an agency of the city of Bonners Ferry, operating under the laws of the State of Idaho. Three to nine board members are appointed by the Mayor and confirmed by the City Council. The District operates using a General Fund, a Bond Reserve Fund and a Debt Service Fund. There is also a Revenue Fund, which operates as a pass-through for the receipt of all revenues and their distribution to the other funds.
- The District's administration is contracted to the Panhandle Area Council, an economic development agency serving the five northern counties of Idaho.

Capital Asset and Debt Administration

Asset and debt administration highlight for the year include:

- The URA does not typically acquire capital assets but rather as an agency of the City of Bonners Ferry helps to pay for public infrastructure for the City and other entities and local or state governments.
- The URA issued debt in the amount of \$740,000 in 2014, to reimburse developers for assets paid for during the construction of the Super One Store, a project that has created over 100 new jobs. The debt was help by American West Bank (now Banner Bank) and administered by Panhandle Area Council (PAC).
- The bonds has a twenty-year amortization at \$53,000 (paid semi-annually on February 19 and August 19) with a balance due in six years. The bonds were 3.75% for the first three years and 5% for the remaining three years, when the annual payment was to increase to \$58,000.
- As noted above, the Board of Directors of the Agency on May 24, 2016 agreed to refinance the remaining debt incurred in 2014 with Banner Bank (previously American West Bank), for 15 years at a fixed rate of 3.3%. The debt has a fifteen-year amortization (paid semi-annually on February 19 and August 19). Annual payments are \$56,551 for the duration of the fifteen years.

Economic Factors and Budget Issues

- Growth in new tax increment is expected to slow in the next fiscal year. This is due to the expected lower levy rates of the Agencies providing tax increment, which results in lower taxes from commercial properties in the URD.

Requests for Information. This financial report is designed to provide a general overview of the Bonners Ferry Urban Renewal Agency's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator of the URA, John Austin, at 11100 N Airport Drive, Hayden, Idaho 83835.

FINANCIAL STATEMENTS



BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

STATEMENT OF NET POSITION
September 30, 2020

Assets

Current assets:

Cash and cash equivalents	213,095	
Property tax receivable	2,231	
Unbilled taxes receivable	86,547	
Restricted cash and cash equivalents	84,958	
Total current assets	<u>386,831</u>	<u>386,831</u>

Total assets 386,831

Deferred Outflows of Resources -

Liabilities

Current liabilities:

Accounts payable	49,150	
Accrued interest	2,886	
Current portion of bonds payable	39,585	
Total current liabilities	<u>91,621</u>	91,621

Noncurrent liabilities:

Bonds payable, less current portion	477,196	
Total noncurrent liabilities	<u>477,196</u>	477,196

Total liabilities 568,817

Deferred Inflows of Resources

Unavailable tax revenue		<u>86,547</u>
-------------------------	--	---------------

Net Position

Restricted for debt service	84,884	
Unrestricted	<u>(353,417)</u>	

Total net position \$ (268,533)

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	33,576	-	-	(33,576)
Interest on long-term debt	18,088	-	-	(18,088)
Total governmental activities	51,664	-	-	(51,664)
Total	\$ 51,664	\$ -	\$ -	\$ (51,664)
		General Revenues		
				121,419
				43
				<u>121,462</u>
				69,798
				(290,029)
				<u>(48,302)</u>
				<u>\$ (268,533)</u>

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

**GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2020**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and cash equivalents	213,095	-	213,095
Property tax receivable	2,231	-	2,231
Unbilled taxes receivable	29,996	56,551	86,547
Restricted cash and cash equivalents	-	84,958	84,958
Due from other funds	74	-	74
Total assets	<u>245,396</u>	<u>141,509</u>	<u>386,905</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 245,396</u>	<u>\$ 141,509</u>	<u>\$ 386,905</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	49,150	-	49,150
Due to other funds	-	74	74
Total liabilities	<u>49,150</u>	<u>74</u>	<u>49,224</u>
Deferred inflows of resources:			
Deferred revenue	2,231	-	2,231
Unavailable tax revenue	29,996	56,551	86,547
Total deferred inflows of resources	<u>32,227</u>	<u>56,551</u>	<u>88,778</u>
Fund balance:			
Restricted for debt service	-	84,884	84,884
Committed	75,000	-	75,000
Unassigned	89,019	-	89,019
Total fund balance	<u>164,019</u>	<u>84,884</u>	<u>248,903</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 245,396</u>	<u>\$ 141,509</u>	<u>\$ 386,905</u>

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
September 30, 2020**

Total Fund Balance - Governmental Fund	248,903
Amounts reported for governmental activities in the statement of net position are different because:	
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	2,231
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditures is reported when paid.	(2,886)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
Bonds payable	<u>(516,781)</u>
Total Net Position - Governmental Activities	<u>\$ (268,533)</u>

BONNERS FERRY URBAN RENEWAL AGENCY

Bonners Ferry, Idaho

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2020**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES			
Property tax	62,637	56,551	119,188
Interest and investment earnings	-	43	43
Total revenues	<u>62,637</u>	<u>56,594</u>	<u>119,231</u>
EXPENDITURES			
Advertising	369	-	369
Audit	5,150	-	5,150
Bank charges	38	-	38
Professional fees	1,519	-	1,519
Accounting and administrative expenses	6,000	-	6,000
Rent and storage expenses	500	-	500
City of Bonners Ferry Rebate	20,000	-	20,000
Debt service:			
Principal payments	-	38,245	38,245
Interest expense	-	18,306	18,306
Total expenditures	<u>33,576</u>	<u>56,551</u>	<u>90,127</u>
Net change in fund balance	29,061	43	29,104
Fund balance - beginning	183,260	84,841	268,101
Prior period adjustment	<u>(48,302)</u>	-	<u>(48,302)</u>
Fund balance - ending	<u>\$ 164,019</u>	<u>\$ 84,884</u>	<u>\$ 248,903</u>

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

Net change in fund balance - governmental funds	29,104
Amounts reported for governmental activities in the statement of activities are different because:	
Some property taxes will not be collected for several months after the Agency's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	2,231
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditures is reported when due.	218
Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Revenue bonds	<u>38,245</u>
Total change in net position - governmental activities	<u>\$ 69,798</u>

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 Summary of Significant Accounting Policies

The financial statements of Bonners Ferry Urban renewal Agency (the "Agency") have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Bonners Ferry Urban Renewal Agency is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body.

The accompanying financial statements include all aspects controlled by the Board of Commissioners of Bonners Ferry Urban Renewal Agency. The Agency is included as a component unit in the City of Bonners Ferry, Idaho financial reporting. These statements present only the funds of the Agency and are not intended to present the financial position and results of operations of the City of Bonners Ferry, Idaho.

Under the Idaho Code, in June 2011, the Bonners Ferry City Council passed an ordinance that created the Bonners Ferry Urban Renewal Agency. The Agency was established to promote urban development and improvement in and around the City of Bonners Ferry. In February 2020, the Bonners Ferry City Council passed an additional ordinance that adopted the South Hill West Urban Renewal Plan to be administered by the Agency.

Under the Idaho Code, the Agencies have the authority to issue bonds. Any bonds issued by the Agencies are payable solely from the revenues attributable to tax increment financing. Any bonds issued are not a debt of the City. Bonners Ferry City Council is not responsible for approving the Agencies budget or funding any annual deficits. The Agencies controls disbursements independent of City Council.

The Board of Commissioners is the decision-making authority that determines by formal vote whether funds are to be committed or assigned and only the Board can determine any change in fund status by the same type of formal vote.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. The Agency does not have any business-type activities.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The fund financial statements consist of the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund

NOTE 1 Summary of Significant Accounting Policies (Continued)

Balances – Governmental Funds reconciliation between the government-wide financial statements and the fund financial statements is also presented.

The financial transactions of the Agency are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Agency and are considered major funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the Agency performs for its patrons. General tax revenues and other sources of revenue used to finance the fundamental operations of the Agency are included in this fund. This fund is charged with all costs of operating the Agency for which a separate fund has not been established.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long—term, principal, interest, and related costs.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred as under accrual accounting. However, expenditures related to debt service, are recorded when payment is due. Expenditure recognition occurs in the accounting period in which the liability is incurred if measurable. Principal and interest on general long-term debt are recognized as fund liabilities when due, or when amounts have been accumulated (if appropriate) in a debt service fund for payment to be made in the following year.

Property taxes, interest income, and various other revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – In the governmental funds, cash received by the Agency is pooled for investment purposes and is presented as “Cash and Cash Equivalents” on the financial statements. For presentation in the financial statements, cash and cash equivalents includes cash on hand, amounts due from banks, demand deposits, and cash with a fiscal agent.

Receivables – All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance for uncollectibles for property taxes was zero at September 30, 2020.

Due To and From Other Funds – Interfund receivables and payables are related to cash restricted for debt service payments that have not been transferred into the fund.

Capital Assets – The Agency has no capital assets of its own. For office space and equipment, the Agency contracts with Panhandle Area Council, Inc. All infrastructure and equipment purchases noted have been dedicated to the government agency that will use those assets in its work.

Accrued Liabilities and Long-Term Obligations – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund, when due, or when resources have been accumulated in the general fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is maintained separately and represents a reconciling item between the fund and government-wide presentation.

Deferred Outflows/Inflows of Resources – In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government does not have any items that qualify for reporting in this category.

In addition to liabilities, financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The government has

NOTE 1 Summary of Significant Accounting Policies (Continued)

only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumptions – Sometimes the government will fund outlays for a particular purpose from both restricted (e.g.; restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resource are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions – Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a committed (committed fund balance) or an assigned (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board may assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Fund balances of the governmental funds are classified as follows in the fund financial statements:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the Board of Commissioners by ordinance or resolution.

Assigned – Amounts that are designated by the Board of Commissioners for a specific purpose but are not spendable until a budget ordinance is passed by the Board of Commissioners.

Unassigned – all amounts not included in other spendable classifications.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 Stewardship, Compliance, and Accountability

Budgetary Data

The Agency follows the procedures established by Idaho Code 50-1002, in establishing the budgetary data reflected in the financial statements. A summary of these procedures are as follows:

- a) The Agency publishes a proposed budget for public review.
- b) Public hearings are set to obtain taxpayer comments
- c) Prior to October 1, the budget is adopted by resolution of the of the Board of Commissioners and published

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations in conformity with Idaho Statutes.

NOTE 3 Cash and Investments

Deposits

	<u>Carrying</u>	<u>Bank Balance</u>
Cash in bank	298,053	298,158
Total	<u>\$ 298,053</u>	<u>\$ 298,158</u>

Deposits are with Banner Bank of which \$250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance. All deposits were insured as of September 30, 2020.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Agency does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The Agency is not subject to credit risk as they have no investments. The Agency does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the Agency is not subject to interest rate risk as they do not have any investments. The Agency does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Agency does not have a policy limiting the amount it may invest in any one issuer.

NOTE 4 Property Tax

Taxes are due in two equal installments on December 20 and June 20 following the levy date. The total 2019 tax levy was \$117,327, of which 98.14% was collected and \$2,187 remains unpaid as of September 30, 2020.

Property taxes levied for the current year and prior years and uncollected at September 30, are recorded as taxes receivable. To the extent that they are not collected by the County by November 30, 2020, a deferred revenue account in that amount is established in the governmental funds.

Total taxes receivable at September 30, 2020	2,231
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2020	-
Deferred revenue	<u>\$ 2,231</u>

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Agency has recognized the 2020 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2020 of \$86,547 is recorded as uncollected but are not considered available at September 30, 2020. The entire receivable is considered a deferred inflow of resources.

NOTE 5 Long-Term Debt

In June 2016, the Agency refinanced their original American West Bank revenue allocation bond with Banner Bank in the amount of \$688,826. The bonds have a 15-year life and an interest rate of 3.30%, maturing in August 2030. Semi-annual installments of principal and interest are due August 1 and February 1 each year, payments are \$28,275, beginning August 1, 2016 until August 1, 2030.

Bond covenants require a debt service account amount of at least half of the annual debt service payable during the year and a reserve account in the amount of the annual debt service bond. All revenue allocation proceeds as received shall be deposited in the revenue account as long as the bond remains outstanding. The Agency shall transfer from the Revenue Account first, to the Bond Reserve Account to satisfy the requirement, then to the Debt Service Account to maintain the minimum requirement, and then may transfer additional gross revenue allocation proceeds to the Agency's General Fund. Amounts available in the debt service account shall be applied to pay the semi-annual installments of principal and interest on the bond and to redeem principal of the bond. On any semi-annual payment date for the bond, if money in the debt service account is insufficient to make the payment of principal and interest due on such date, money shall be transferred from the reserve account to the debt service account to make up such deficiency.

Long-term liability activity for the year ended September 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Payments</u>	<u>Ending balance</u>	<u>Due within One Year</u>
2016 Bond	555,026	-	(38,245)	516,781	39,585
Total	<u>\$ 555,026</u>	<u>\$ -</u>	<u>\$ (38,245)</u>	<u>\$ 516,781</u>	<u>\$ 39,585</u>

NOTE 5 Long-Term Debt (Continued)

Debt service requirements at September 30 will be as follows:

Year Ended 9/30/	Principal	Interest	Total
2021	39,585	16,966	56,551
2022	40,920	15,631	56,551
2023	42,301	14,250	56,551
2024	43,694	12,857	56,551
2025	45,202	11,349	56,551
2026- 2030	305,079	32,832	337,911
Totals	<u>\$ 516,781</u>	<u>\$ 103,885</u>	<u>\$ 620,666</u>

NOTE 6 Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency is protected from such losses by Bonners Ferry's commercial insurance policy.

NOTE 7 South Hill West Urban Renewal Plan

At the City of Bonners Ferry's February 2020 Council meeting Ordinance No. 589, approving the South Hill West Urban Renewal Plan, was adopted. The plan includes proposed improvements to the streets and wastewater facility and lines in the area.

NOTE 8 Prior Period Adjustment

The Agency reported a prior period adjustment as of September 30, 2019 to record an expenditure and related accounts payable determined to have occurred in the prior year. The adjustment increased accounts payable by \$48,302 and decreased beginning fund balance and beginning net position by \$48,302, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL
For the Year Ended September 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property tax	<u>62,637</u>	<u>66,725</u>	<u>(4,088)</u>
Total revenues	<u>62,637</u>	<u>66,725</u>	<u>(4,088)</u>
EXPENDITURES			
Advertising	369	-	(369)
Audit	5,150	4,500	(650)
Bank charges	38	-	(38)
Developer reimbursements	-	20,000	20,000
Office expense	-	600	600
Professional fees	1,519	3,000	1,481
Accounting and administrative expenses	6,000	14,000	8,000
Rent and storage expense	500	-	(500)
Public improvements	-	164,625	164,625
City of Bonners Ferry Rebate	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>33,576</u>	<u>226,725</u>	<u>193,149</u>
Net change in fund balance	29,061	<u>\$ (160,000)</u>	<u>\$ 189,061</u>
Fund balance - beginning	183,260		
Prior period adjustment	<u>(48,302)</u>		
Fund balance - ending	<u>\$ 164,019</u>		

BONNERS FERRY URBAN RENEWAL AGENCY
Bonners Ferry, Idaho

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL
For the Year Ended September 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property tax	56,551	56,401	150
Interest and investment earnings	43	150	(107)
Total revenues	<u>56,594</u>	<u>56,551</u>	<u>43</u>
EXPENDITURES			
Principal payments	38,245	38,245	-
Interest expense	18,306	18,306	-
Total expenditures	<u>56,551</u>	<u>56,551</u>	<u>-</u>
Net change in fund balance	43	<u>\$ -</u>	<u>\$ 43</u>
Fund balance - beginning	<u>84,841</u>		
Fund balance - ending	<u>\$ 84,884</u>		