

TRPTA Board Minutes

Sept. 6, 2019

In attendance: Lisa Farris, Steve Taggart (guest), Dave Radford, Mark Cornelison (guest), Michelle Ziel-Dingman, and Sean Coletti (via phone).

Action item: Bankruptcy discussion Steve Taggart & TRPTA debt update

Steve Taggart of Maynes & Taggart spoke to the Bank of Commerce's attorney and Taggart recommends that we do not pay them or other creditors and roll up these debts with the bankruptcy. Dave Radford will work on getting our building insurance current and active.

Board considering pursuing Chapter 9, which is reserved for government entities who get into financial trouble. Basic requirements are that you must be a government municipality and be authorized by state law. You must also be insolvent; balance sheet test and/or the inability to pay debts (govt. entity). We will meet the latter. Must have a desire to deal with debts and you must have consent of debtors or proof that you've tried to negotiate with creditors in good faith. Must file a petition and must have a resolution from the Board directing the filing of Chapter 9 bankruptcy by legal counsel. Must pay \$1,717 filing fee to the court.

This procedure is different from traditional bankruptcies. There are only certain things that the Court can direct after we move forward. When/if TRPTA files for bankruptcy, we will need to file petitions and schedules, assets and liabilities to resolve the debts and ultimately have a plan. Parties can step up and say that the bankruptcy is not valid. The State does have the opportunity to stop this.

Plan = classify creditors by type of interest.

- 1 – administrative claims (paid first). Expenses related to the property and Attorney.
- 2 – priority claims – unemployment and PERSI.
- 3 – statutory empowered – claims from FTA/ITD and what portion they are owed.
- 4 – unsecured claims – the rest of the debts.

Majority of the claimants must vote to approve the plan and we must have at least 2/3 of the claimant's vote. Plan will set up a sales and valuation process and then the priority list gets divided up. Have to have a plan proposed in good faith or a plan our creditors have accepted, or at least one has accepted and the court makes an evaluation that the plan is fair and equitable.

Dave Radford reported outstanding debts include the following creditors: Bank of Commerce, PERSI, US Bank, Wipfli, State Insurance Fund (unemployment insurance), Hall/Angell and Associates, AT & T, Intermountain Gas, Cable One/SparkLight, Vanguard Cleaning, Holden Electric, and HUB International Insurance.

Michelle Ziel-Dingman made a motion to pay the Intermountain Gas Bill, 2nd by Lisa Farris. Unanimously approved.

Primetime Auction discussion

Primetime Auction will put refurbished batteries into the buses for sale.

TRPTA emblem removal for busses

Primetime Auctions will work on bill the removal of decals into the auction. Dave Radford also discussed other options for removal.

Action item: TRPTA potential service area boundary change.

Item postponed.

BMPO move discussion

Will discuss BMPO's current lease with them; it's possible that they could stay through 12/31.

Utilities discussion

It's ok to pay ongoing maintenance and utilities costs.