



Downtown Investment Authority
Finance and Budget Committee Hybrid Meeting
May 10, 2022 – 1:30 p.m.

Finance and Budget Committee Hybrid Meeting
MEETING MINUTES

Finance and Budget Committee Members (CMs) in Attendance:

Todd Froats, Chair
Oliver Barakat

Ron Moody
Braxton Gillam, Esq., Ex-Officio (late arrival)

CMs Excused:

Board Members Present: Stephanie Burch, Esq.

DIA Staff Present: Lori Boyer, Chief Executive Officer; Guy Parola, Operations Manager; Wanda James Crowley, Financial Analyst; Ina Mezini, Communication and Marketing Specialist (via Zoom); and Xzavier Chisholm, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

The Finance and Budget Committee meeting of May 10, 2022, was called to order at 1:30 p.m. by Chairman Froats.

II. PUBLIC COMMENTS

Chairman Froats called for public comments.

The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

Bruce Fouraker Inquired as to how much longer the debt service for both 11 East and the Carling will be continuing.

Clifford Miller Advocated for enhanced architecture for the building being developed immediately next to the Jones Bros building; advocated for bike lanes; and advocated for the reactivation of the Prime Osborne.

III. MARCH 31, 2021 FINANCE AND BUDGET COMMITTEE MEETING MINUTES APPROVAL

Motion: CM Moody moved to approve the minutes as presented

Seconded: CM Barakat

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0

IV. RECOMMENDATION: PROPOSED FY 22-23 CRA BUDGETS

A. NORTHBANK (Resolution 2022-05-03)

CEO Boyer presented the proposed Northbank CRA FY 22-23 budget.

- Three new REV grants coming online but no estimates yet of next year's tax revenue. Only able to budget a 3 percent increase which isn't enough to cover the REV grant payments.
- The Lynch building mortgage (debt repayment) has a balloon payment in July (2023) and the Budget Office is planning to budget for that revenue. Not sure if it will happen, adding that there is a contract in negotiation, at least on the building. That revenue will not be budgeted until it materializes and will be treated as unallocated.
- In terms of continuing debt service, the 11 East building pays monthly with a balloon payment in July of 2023 and the Carling building does not have a balloon payment and continues for many years.
- The Independent Audit fund increase represents a more thorough audit as requested by the Chair.
- Plan Authorized Expenditures reflects funding for various programs including new programs.

CM Gillam arrived at 1:52 p.m.

- NB Unallocated Plan Authorized Expenditures serves as a flexible pot of money to use as needed.

CM Barakat asked once the Lynch mortgage money is received, does it have to be allocated or spent within a certain time frame or does the DIA get to keep it. CEO Boyer responded that if the payment is received by the balloon date (July 2023), then the DIA would have to allocate it by September 30, 2023. The anticipated sale of the buildings (11 E and the Carling) is February 2023.

Responding to a question from CM Moody, CEO Boyer stated that the DIA is already looking at how the funds could be used.

CEO Boyer clarified for CM Gillam that the McCoy Creek relocation and restoration CIP project is being paid for by the City, not the DIA.

Chairman Froats asked why the balloon payment might not be received. CEO Boyer responded that the loan has already been extended and refinanced twice in the past.

Responding to a question from Chairman Froats, CEO Boyer clarified that the destination parks within downtown are City funded, and that although neighborhood parks may also be City funded, it

would not be inappropriate for them to be funded by the DIA since they are designed to serve the downtown residents.

CEO Boyer confirmed for CM Barakat that funds can be moved around within a category by the Board (i.e., moving funds from Commercial Revitalization to Urban Art).

CM Barakat suggested reevaluating the budget at a later date to determine if some of the projects should be consolidated due to limited bandwidth.

Responding to a question from Board Member Burch, CEO Boyer stated that the garages operating expenses was determined by looking at the previous three years of operating expenses.

Chairman Froats suggested having a balance sheet to help keep up with the balances on the parking garages and the parks, among other things.

Responding to a question from Chairman Froats regarding the revenue from the three new REV grants, CEO Boyer stated that she can't add the revenue to the budget until the property appraiser assigns a value to the properties

CEO Boyer stated that **Resolution 2022-05-03 will be changed to 2022-05-04.**

Motion: CM Barakat moved to approve Resolution 2022-05-04 as presented

Seconded: CM Moody

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

B. SOUTHBANK (Resolution 2022-05-05)

CEO Boyer presented the proposed Southbank CRA FY 22-23 budget.

- The budget reflects a 3 percent increase in revenue.
- The District payment was increased from \$3M to \$3.5M as previously discussed. Including the FY 22-23 payment, the DIA will have paid nearly \$15M with a total obligation of \$23M.
- The Unallocated account is lean, so in the event adjustments are needed that can't otherwise be absorbed, it is likely that it would be addressed using the \$650,664 in Southbank Retail Enhancement.
- There may be adjustments to the Southbank Future Year Debt Reduction account. Mr. Parola is working with accounting to get a firm number.

CEO Boyer confirmed for CM Barakat that the Sungard obligation is finished and will not appear in the future. She also stated that if One Call were to comply, this would be the last year they're eligible for payment. If they do not comply this year, then it's a default and they're no longer eligible for payment.

CM Moody asked about the significant decrease in the Professional Services account. CEO Boyer responded that this is an area where she anticipates increasing the amount if they have more revenue when the revenue numbers are received.

Motion: CM Moody moved to approve Resolution 2022-05-05 as presented

Seconded: Chairman Froats

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

CEO Boyer spoke to the projected movement of fund balances at year end (FY 22).

C. ADMIN (Resolution 2022-05-05)

CEO Boyer stated that **Resolution 2022-05-05 will be changed to 2022-05-03.**

CEO Boyer presented the proposed Administrative FY 22-23 budget.

- The two new positions that the DIA has requested and that are going through City Council are not reflected.
- There is an enhancement request attached as Exhibit B that are three new positions as well as funds for staff furniture.

CEO Boyer confirmed for CM Gillam that the two new positions going before Council will be added to the current FY budget if approved. Furthermore, she added \$470,000 of Supervision Allocation funds between the Northbank and Southbank CRAs that will be paid back to the general fund to cover all the expenses associated with those employees.

Chairman Froats asked who the Council liaison is for the DIA. CEO Boyer responded that Councilwoman Cumber is. (*Councilman Gaffney – Primary; Councilwoman Cumber – Alt.*)

Motion: CM Moody moved to approve Resolution 2022-05-03 as presented

Seconded: Chairman Froats

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

V. OLD BUSINESS

None.

VI. NEW BUSINESS

None.

VII. ADJOURNMENT

Seeing no further business, Chairman Froats adjourned the meeting at 2:44 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xzavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.