

**MINUTES**

**February 25, 2016**  
Board Meeting  
City Hall – Council Chambers

**Members Present:**

Jeff Mercer ..... President  
Steve Woods..... Vice President  
Kim Minton..... Secretary  
David Bedwell..... Member  
Mike Denney..... Member  
Lisa Jones..... Member

**Others Present:**

Robert Schafstall ..... Legal Counsel  
Krista Linke ..... Community Development Director  
Julie Spate..... Recording Secretary

**Call to Order:**

Jeff Mercer called the meeting to order at 8:00 a.m.

**Approval of Minutes:**

Steve Woods made a motion to approve the January 28, 2016 minutes as presented. Lisa Jones seconded the motion. The motion carried.

**Public Comment:**

Jennifer Baltz, Marketing & Communications Manager for Johnson County Public Library, introduced herself and their new focus on public meetings such as these for community awareness. She also identified program materials they have and her availability to answer questions.

**Committee Reports:**

**A. Communication Committee or Monthly Update:**

Mr. Woods spoke of scheduling a meeting this month. According to the by-laws, two board members are to be on each committee. Mr. Woods identified two options, appointing a second board member to the committee or rewriting the by-laws. Kim Minton offered to join the committee. Ms. Jones made a motion to appoint Ms. Minton to the Communication Committee. A second was made by David Bedwell and the motion passed. Mr. Woods also communicated a weekly report from Rhoni Oliver that there have been 63 new visitors to the website in the last seven days and 140 page views. Mr. Woods also thanked Ms. Oliver for all her efforts and those to come of Ms. Minton.

**B. Finance Committee or Monthly Update:**

No report.

**C. Loan and Grant Committee or Monthly Update:**

Ms. Jones reported their committee met in combination with the abandoned houses tax sale property group. Keith Fox and new committee member Daniel Frische were again in attendance. Mr. Frische is a real estate agent with Smyth and Company in Franklin. There were no new loans or grants to review.

Ms. Linke reported on proposed changes to the Residential Revolving Loan Fund. The largest overall change is the income restrictions to this program now based on Mr. Schafstall's counsel to follow the Indiana code more closely. It is still limited to the exterior property renovation. The maximum loan amount is still \$20,000 and the minimum is now \$5,000. The percentage of the loan that is forgivable is proportional to the income limits. A section was added that the income is based on the occupant of the property. A rental property would still be eligible but tax returns for both owner and occupant would be required along with the current lease to prove legal tenancy. For a multi-unit property, a minimum of 50% of the occupants must meet the income limits. The underwriting criteria was simplified. The debt to income limit is 50% if the credit score is 640 or above and 40% if the score is 550 to 639. They would try to work with anyone with a credit score lower than 550 through a different program. The interest rate was kept at 2.5% for the first five years and 4% for the second five years, and it was extended from a seven-year to a 10-year term which would lower the monthly payment and make more affordable to lower income households. Property owners are now limited to one loan at a time. The forgiveness percentages were changed from 10% to 15-30% depending on occupancy income based on the area median income. Minor adjustments were made to the actual application as well. Ms. Jones added that tax returns will be provided at the time of application to verify income. Mr. Mercer thanked them for their work and asked if Ms. Linke would like it to be voted on today or next month. Ms. Linke confirmed today if at all possible. A motion was made by Mr. Woods with a second by Ms. Minton. The motion passed.

**D. Development Committee or Monthly Update:**

Ms. Minton reported the welcome addition of Keith Fox to this committee. Ms. Oliver reported the first three certificates were received from county to the City yesterday. Ms. Minton explained nothing will likely happen now until June or July.

**E. Capacity Committee or Monthly Update:**

No report.

**F. 351 E Jefferson Street Update:**

Mr. Mercer introduced with gratitude this collaborative effort. Ms. Linke reported the engagement of EarthCon Environmental who conducted their site visit last week. Phase One is expected by close of business tomorrow. Mike Denney reported meeting last Friday with chosen contractor Mike Waugh to review and adjust his bid and also the excavator, Tony Biasi, specifically for purposes of locating the lateral line. Travis Underhill was in attendance as well and confirmed being able to get the sewer lines needed from the street. The excavator located the line in the existing building and flushed it out. The power requirements were reviewed for HVAC. They learned a design release is needed, but it shouldn't be a problem. No deviations are allowed once the state issued design release is received. Mr. Waugh is getting back with a revised bid so the design release can be secured. Mr. Waugh is ready to start any time. Interior changes can begin even as soon as next week. Mr. Schafstall reminded there is no owner permission to make changes prior to closing without an ensuing discussion on rent. Mr. Mercer asked what the timeline on closing would be. Mr. Schafstall would like to run Phase 1 results by the owners and David Gillay at Barnes & Thornburg along with owner provided disclosures. Depending on his

response, the closing could take place as quickly as a couple of weeks but 30 days would be easier. Mr. Schafstall also built contingencies into the purchase agreement that could be waived if the FDC so chose. Mr. Mercer asked if Barnes & Thornburg could look at Phase 1 results within a week and could FDC choose a resulting course of action without calling another meeting. Mr. Schafstall explained that it depends on Mr. Gillay's response, but possible, yes. Mr. Mercer would like to hold Mr. Waugh off until this process can be accomplished. Ms. Linke reviewed that once Mr. Waugh's revised quote is received Mr. Schafstall will review it. Ms. Oliver has already contacted Franklin Insurance about property insurance. Mr. Bedwell asked if any title search is being done on the property. Mr. Schafstall has started it, assuming FDC would want an owner's policy of title insurance and recommends such. FDC concurred.

**January Financial Report:**

All company files have been transferred to QuickBooks on line. The \$500,000 received from the city is reflected. Operating is around \$112,000. Signature cards are updated. BMO accounts are being consolidated. Minor changes were made to the 2016 operating budget so copies of the revised budget were provided. A couple more loans have been moved to repayment. One has been paid in full. Another loan has caught up on all back payments. Two commercial loans are outstanding. There is one façade grant application coming next month. They are waiting on their estimates. There is some interest in the residential program as well. Programming funds have been updated to show 2016 RDC granted funds to be tracked separately from the original funds. The \$350,000 RDC grant for 351 E. Jefferson Street has been added to the direct investments report along with the \$138,000 for Hoosier Brewing. They are listed on the report but actual monies have not been received from the city yet.

**Director Report:**

The former administration contracted with Larry Nunn and Associates for the 2010 and 2011 audits and there is an unresolved billing issue with them being worked through.

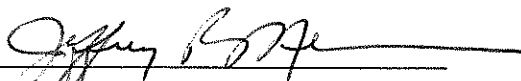
**Additional Items:**

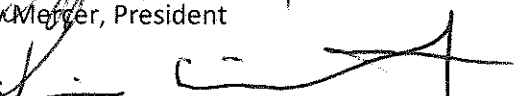
- Next Regular Board Meeting - March 24<sup>th</sup>, 2016 at 8:00 a.m.

**Adjourn:**

No further business came before the Directors. The meeting was adjourned at 8:31 a.m.

**Approved this 24th day of March, 2016:**

By:   
Jeffrey Mercer, President

Attest:   
Kim Minton, Secretary