



MINUTES

December 10, 2015
Board Meeting
City Hall – Council Chambers

Members Present:

Jeff Mercer President
Kim Minton Secretary
Angela Coy Treasurer
David Bedwell 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 8:01 a.m. and offered special words of welcome to new board member, David Bedwell.

Approval of Minutes:

Lisa Jones made a motion to approve the October 22, 2015 minutes as presented. Angela Coy seconded the motion. The motion carried.

Public Comment:

None.

Committee Reports:

A. Communication Committee or Monthly Update:

1. 2016 Calendar – Ms. Linke handed out a color-coded calendar of the four-step process for loan and grant applicants. Applicants must meet with the Discover Downtown Franklin Design Committee first before application is even made. Next is the application deadline followed up by the Loan & Grant Committee meetings in turn followed up by the board meetings. Mr. Mercer asked if this will go on the website. Ms. Linke confirmed it would but needs approval from FDC first. Ms. Coy asked about the November meeting scheduled which is not usual. Ms. Linke explained the last couple of years the meeting would have fallen on Thanksgiving Day and since it fell the week before Thanksgiving in 2016 and going two months without a meeting can sometimes be difficult, she went ahead and included a November meeting. Ms. Coy additionally asked if the December meeting should be moved up since it is three days before Christmas. Ms. Linke said it was possible. Mr. Mercer suggested it be the week before and Ms. Linke concurred and will change the other meeting dates affected as well. Ms. Jones made a motion to approve the calendar with recommended changes for the December meeting. Ms. Coy seconded. Approved.
2. Website Updates – The committee met and discussed things still being worked on for the website. Rhoni Oliver is working on the before and after project summaries. Mr. Mercer also forwarded some information on a possible intern they hope will be able to help with these as well.

3. Marketing Minute and Annual Report—A one page document called a “marketing minute” is being considered to highlight FDC achievements and could also be posted to the website. Direct mail efforts to target areas to spread the word about programs available is also being considered.
4. Annual Report – Work on the annual report will start after this year closes out.

B. Finance Committee or Monthly Update:

1. 2012, 2013 & 2014 Audit – Ms. Coy reported the three-year audit is done and was sent to the state three weeks ago. The 2015 audit will begin work the end of May. This puts FDC now in compliance with the State Board of Accounts.
2. 2016 Budget – The only change since the RDC presentation was the addition of \$3,500 for Design consultant fees to Discover Downtown Franklin. Ms. Linke reviewed that since these are services directly related to programs, they have not typically been paid out of operating but out of programming. Ms. Coy highlighted the more major items being tax return and audit and legal fees. Operating budget is \$27,750. Ms. Coy confirmed this is the same budget that has been looked at the last couple of months, nothing has changed except Ms. Linke reported she might have moved small amounts of money between accounts such as from IT to printing but confirmed that it is very close. Ms. Jones asked if the board will receive a copy of the audit report and Ms. Coy asked Ms. Linke to email that out along with the budget. A motion to approve the budget was made by Kim Minton and a second by Ms. Jones. The motion was approved.
3. Agreement for Legal Services for 2016 – We have Rob Schafstall’s engagement letter. A motion to approve Mr. Schafstall as legal representative for 2016 was made by Ms. Coy and a second by Ms. Minton. The motion was approved.

Mr. Mercer commented that Impact and Development may merge after this meeting.

C. Loan and Grant Committee or Monthly Update:

1. Ms. Jones reported there were no loans or grants to review this month. There are a couple in process. Ms. Jones highlighted discussion held regarding revamping the residential loan program primarily due to the limited funds available in that program going into 2016 considering the changes in the low to moderate income issue. Consideration has been given to lowering the amount granted each applicant, possibly including interior repairs or a painting program. Though not ready to recommend any changes today, the committee seeks the board’s input on whether they feel comfortable changing this program. Based on a \$100,000 allocation, if each applicant took the maximum amount, only five people would be able to be helped. Mr. Mercer observed the residential loan piece to be slow last year so if it were to continue in similar fashion, there wouldn’t be much more activity this year than last. With changes it could make it a more attractive program and then with limited funds to help. This is likely to become the norm. Ms. Jones explained that many low to moderate income people can’t afford the payment of a seven-year loan so it goes against the original intent of the program. Ms. Minton wondered about extending the loan period to 15 years. Ms. Linke added not limiting it to exterior but including interior changes as well. Ms. Jones cited other communities do have a painting program. Mr. Mercer sees this as moving in the direction of the FDC goals.
2. Loan and Grant Policy Discussion and Vote—From last month’s draft, the only change was the date to Dec. 10. Ms. Jones reminded the board the areas of proposed changed by reading those sections of the document again. Ms. Linke reminded being in receipt of the check from the city for \$500,000 for next year’s programming. \$100,000 of that is reserved

for residential programs. Currently there are three different programs at three different accounts at three different banks. Ms. Coy asked if the revolving loan fund was at one bank. Ms. Linke confirmed that whether a commercial or residential loan, they are in the same account at Horizon. The façade grant is at First Merchants and the requests for proposals and direct investments are at Mutual. Ms. Coy suggested putting the check in to First Merchants and transferring out the \$100,000 to Horizon. Ms. Jones asked about how allocation would likely be made between grant and commercial loan program and abandoned homes project. Mr. Mercer wants considered a loose allocation of dollars with the ability to adjust when necessary. Mr. Mercer asked Mr. Schafstall about any concerns. Mr. Schafstall cited a committee resolution draft he'd prepared. The by-laws instruct committees can be formed but only directors are voting members. The statement reads "A quorum will be required and majority vote will rule." This statement could be adjusted to suggest conformity with by-laws, applying to all committees. Mr. Mercer asked if one director per committee is adequate or are two required. Mr. Schafstall responded that either scenario is permissible. Ms. Linke remembered the by-laws stating two directors are required. Ms. Jones confirmed. Mr. Mercer cited the communications and capacity committees as the ones possibly needing adjustment. Mr. Mercer explained this to be an effort in transparency and asked of David Bedwell his thoughts on this subject. Mr. Bedwell responded favorably from his seat on the Loan and Grant Committee. Ms. Coy made a motion to approve the Loan and Grant Policy subject to legal counsel's suggested revisions. Ms. Minton made a second. The motion was approved.

D. Development Committee or Monthly Update: Ms. Minton reported a tour of available properties they had made. All were on board with them.

1. Abandoned/Tax Sale Properties – Allen County has a similar program that the committee liked and modeled after. Ms. Minton read a purpose statement from a PowerPoint presentation. The committee named this program the Property Recovery Task Force. The process and program overview is still being worked on and referenced the handouts the board directors did receive prior to the meeting. Ms. Minton's proposal is that the task force would review all the properties and make their recommendation to the board in January, engaging Mr. Schafstall to go through the resulting process required to secure identified properties for FDC. Donation or auction would follow, auction funds being deposited in to operations or programming. Approximately \$2,000 in expenses will be incurred per property which could be taken out of programming. John Auld said \$1,000 would cover insurance and liability on all properties for the year. Ms. Minton reviewed a photograph presentation of the properties seen, explaining only one to be in the TIF district. The group who visited the properties recommend auctioning this property in the TIF along with a couple others. The two vacant lots were recommended to be donated to Habitat for Humanity who has already agreed to receive them. Mr. Mercer reviewed worst case scenario being Habitat for Humanity would take all properties if auctions are not successful, tear them down and build again. Ms. Oliver explained the query of Leanne Wilbur with Habitat being to provide a comfort level to FDC that if not able to auction, there is a possible recourse out there. Ms. Linke highlighted best case scenario to be paid for three properties and worst case scenario being to donate four properties and make money on one. Ms. Jones reviewed the process as well. Ms. Coy asked if Habitat would take all four at one time, and Ms. Minton confirmed. Ms. Jones asked if some of the profit from the auction could be given back to the buyer to help with fixing up the property. Ms. Minton responded that they would be eligible for any of the regular programming but new incentives

would not be created for each individual property. Ms. Linke explained wanting to see what the response would be first before incentivizing too much. Ms. Jones asked if the city would expect any type of remuneration. Ms. Minton responded negatively. The city would also maintain the properties until they are disposed of and Ms. Oliver has unsafe building funds to help with title work and other minimal expenses. Ms. Minton added seeking to set up with committee with a couple of board members and adding a few community members to the committee. Any recommendations especially with construction or real estate backgrounds without an interest in bidding on the properties are welcome. Ms. Jones spoke for the group that viewed the properties that all were comfortable moving forward with these properties. Ms. Oliver offered that nothing new would be likely until after the October tax sale. Ms. Linke explained the tax sale process. Ms. Oliver also added the owner might decide to redeem. Ms. Coy is much more comfortable than previously. Mr. Mercer feels having Habitat involved diminishes the risk to some degree but doesn't assume Habitat will take this many from us every year. Even the 348 Kentucky property is better owned by FDC than the city as it enables FDC to do something with it. Even if the city owned and demolished, Ms. Oliver suggested funds could be offered to help through the Unsafe Building Fund. Action in January would ideally be on all five properties. Mr. Mercer reminded of the \$275,000 in FDC coffers. Ms. Jones asked if set procedures should be in place for the possibilities of a property like 348 Kentucky or would they just be taken on a case by case basis. Ms. Oliver reminded that the properties cannot be entered before owned by the city and that 348 Kentucky is not within an area where FDC can spend their money. Ms. Oliver also has a list of several potential investors. Mayor McGuinness has asked Ms. Oliver to go to the county and secure the properties. FDC would not get them until after the process with Mr. Schafstall which would get them to the city properly. Ms. Jones asked about any other non-profits that would be interested and a vetting process needed. Ms. Linke suggested the city's focus being on non-profits who have this type of function in their mission. Ms. Jones suggested adding the qualifying non-profits language in the policy to maintain total transparency. Mr. Mercer reviewed that Ms. Minton will return with recommendations, procedures and action to be taken on the five properties presented today.

E. Capacity Committee or Monthly Update:

1. Residential Revolving Loan Program --

2. Strategic Plan – Ms. Linke reported on some minor changes made to the plan, highlighted in red on document handed out. Ms. Minton explained that impact and development sections have been combined due to similarity between the two. There are some unknowns yet, so understand it is a fluid document even going forward. A motion to approve was offered by Ms. Jones and a second by Ms. Coy. The motion was approved.

October and November Financial Reports:

Ms. Linke reported that at the end of November some of the audit costs were paid out. Ms. Linke would like to consolidate the BMO Harris accounts, getting BMO closed by the end of the year and put money into First Merchants maybe. Ms. Linke and Ms. Coy would like FDC to subscribe to Quick Books online.

Mr. Mercer asked about the status of B2S Labs. Ms. Linke reported slow movement on their part. There have been meetings on site and with their architect with regards to their façade grant. They are waiting specifically on some of the brick work that requires dealing with some stabilization issues. They have

been pushed back probably six months from what initially thought. Some invoices for some initial activity have been paid.

There are no new projects at this time. Available programming funds are \$290,000 and \$330,000 in accounts receivable for outstanding loans.

Mr. Mercer asked about the Fred Paris project. Ms. Linke reported a New Year's Eve opening planned for. A fulltime cook has been hired, Big JT's. Smoker and brewing equipment is installed and the roof is done. Ms. Minton requested a tour. Ms. Linke will arrange along with an Elks tour.

Director Report:

Mr. Schafstall prepared a resolution that the Board of Directors authorizes the committees, referencing his draft document. After the morning's discussion, there is some ambiguity regarding labels and terminology and he had also added about the executive committee empowered to make decisions in between meetings. Ms. Linke thinks the document as it stands will work and asked if any changes needed to be made to the by-laws. Mr. Schafstall doesn't think any changes need to be made. Mr. Mercer suggested moving this to January to allow time for clarification. He further explained the format of having our standing committees as in line with the strategic plan and any other groups, ad hoc or otherwise, fall under those.

The design committee has met twice with Greg Leugers regarding new doors and windows, iron work on the top, railings and signage. Jim Admire at 40 ½ E Jefferson St. has begun interior work but looking at exterior as well. Lisa Fears at 170 N. Jackson is looking at managing a law resources center. Jim Edwards has purchased the current Elks building at 40 N. Water Street and is looking at making it an executive level extended stay hotel with five rooms and a conference room. Ms. Linke thinks some of these will be ready for Loan and Grant Committee in January.

Additional Items:

- Next Regular Board Meeting - January 28th, 2016 at 8:00 a.m.

Adjourn:

No further business came before the Directors. The meeting was adjourned at 9:25 a.m.

Approved this 28th day of January, 2016:

By: _____

Jeffrey Mercer, President

Attest: _____

Kim Minton, Secretary