

**Downtown Development Authority  
Meeting Minutes  
May 13, 2010**

The regularly scheduled meeting of the Downtown Development Authority was held May 13, 2010 at 8:30 a.m. at the DDA offices located at 936 Broad Street, Suite 107. Those members in attendance were Cameron Nixon, Mark Bowling, Joey Hadden, Steven Kendrick, Legal Counsel Byrd Warlick and Executive Director Margaret Woodard. Guests and observers included DDA Office Manager Roxanne Walls, CADI Project Manager Jessica Fuselier, Tim Rausch of the Augusta Chronicle, Camille Price of Augusta Tomorrow, Michelle Bennett and Maria Hough of Serotta Maddocks Evans (SME) and David C. Penix of David C. Penix & Associates.

Mr. Kendrick called the meeting to order at 8:30 a.m. and welcomed everyone.

Mr. Bowling presented the previous meeting minutes from April 15, 2010. With no additions or corrections, Mr. Bowling made the motion to accept the previous meeting minutes from April 15, 2010 as submitted with a second by Mr. Nixon. All were in favor and the motion passed unanimously.

In the Treasurer's Report, Mr. Nixon presented the DDA financials as of April 30, 2010.

The Balance Sheet was reviewed. The cash balances have increased due to the DDA not receiving the salary payback invoice from the city for the first quarter of 2010.

The Profit & Loss Budget Performance (DDA Operating) Report reflected the following for January 2010 through April 2010: total income in the amount of \$85,859.22 and net income in the amount of \$32,176.22.

Mr. Nixon commended Mrs. Walls for keeping a good track of the books.

The Profit & Loss Budget Performance (Consolidated) Report and Saturday Market financials were not discussed but were in board member books for their review.

Mr. Nixon explained that the funding that is received from the city covers operating and salaries. A Finance Committee meeting will be scheduled to review the six month budget approved at the board retreat in February.

Mr. Kendrick asked for a motion to accept the Treasurer's Report as information. Mr. Bowling made the motion which was seconded by Mr. Hadden. All were in favor and the motion passed unanimously.

The annual audit presentation was moved ahead of the Director's Report due to a time constraint.

Under New Business, Ms. Bennett of SME introduced Mrs. Hough, also of SME. The four draft documents distributed to the board were the overview sheet, the SAS-115 letter, financial statements and the management comment letter.

Ms. Bennett presented the 2009 annual audit draft presentation.

The overview sheet is a review of results of the audit for year ended December 31, 2009. Ms. Bennett explained the SAS-115 letter. It communicates responsibilities under the auditing standards. SME is hired by the board and reports to the board.

There were no new significant accounting policies adopted during the year. No changes from the prior period. The most significant accounting estimates that the DDA has in the financial statements is the depreciation of fixed assets.

Ms. Bennett presented the draft financial statements for year ended December 31, 2009. SME is issuing a clean opinion. It is unqualified except for some property that is owned by the DDA that is not reflected in the asset number that is on the Balance Sheet. It is the parking properties and some other things that a value could not be obtained for because they were donated so many years ago to the DDA. Those are disclosed in the notes to the financial statements.

The Statement of Net Assets consolidates, while undergoing the audit, the parking decks and some of the other assets that run through the city's trial balance every year with the daily operations of the DDA. At the end of the year, the DDA had total assets in the amount of \$3,535,213.00 and net assets in the amount of \$2,842,214.00.

The Statement of Activities reflected total governmental activities expenses for the year ended December 31, 2009 in the amount of \$655,308.00. There was revenue from fundraising, operating grants/contributions and capital grants. Overall the net change was \$346,171.00 for the year which was an increase from the prior year.

The Governmental Fund Balance Sheet reflects total assets in the amount of \$205,838.00. On a governmental basis, assets are ordinarily expensed and not shown on a current economic basis. At the bottom of this report, there was a reconciliation that reflected \$2,842,214.00 in net assets which is the same as the amount shown on the Statement of Net Assets.

The Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund for year ended December 31, 2009 shows a more traditional profit and loss statement for the DDA.

Ms. Bennett explained to the board the notes to financial statements section of the draft audit. The only change that the DDA had in their fixed assets during the year was depreciation on the parking decks. The properties that were not valued and were not in the DDA fixed assets were also listed in this section.

The long term debt is the Development Authority Revenue Bonds, Series 2003. The ordinary principal payment in the amount of \$600,000.00 was made during the year. The final payment is due in 2010 in the amount of \$615,000.00.

The total economic development expenses for year ended December 31, 2009 were in the amount of \$631,884.00. The interest paid on the bond debt for 2009 was in the amount of \$23,424.00 for a total governmental activities expense in the amount of \$655,308.00.

SME commented that for year ended December 31, 2009 all necessary entries for full accrual financials statements were not recorded prior to the audit by the contracted third party accountant. Mr. Nixon will speak with the accountant's office prior to 2010 year end.

SME commented on property/assets. Currently, the DDA does not have a policy for assets. Mr. Kendrick suggested contacting Mr. Tim Schroer to find out the city's policy as to what is capitalized as an asset and what is written off.

SME commented on the classification of personnel.

With no further discussion, Mr. Kendrick asked for a motion to approve the draft audit as presented by SME. Mr. Nixon made the motion to approve the draft audit as presented by SME. Mr. Bowling seconded the motion. All were in favor and the motion passed unanimously.

Mr. Kendrick thanked Mr. Nixon, Ms. Woodard, Mr. Warlick and Mrs. Walls for their work on the audit.

In the Director's Report, Ms. Woodard updated the board on various projects.

Ms. Woodard explained there are three routes that are being taken to finance the Hyatt Place Project. They are conventional bank loans, private investors/individuals and recovery bonds. Mr. Osteen is leading the charge on the banks and thinks that they have found a lead bank.

Mr. Kendrick saw Mr. Dusseau at an event and Mr. Dusseau praised the City of Augusta in helping them get the project and the financing in place. Mr. Kendrick also said that Mr. Dusseau also mentioned Ms. Woodard and said "he has never worked in a city where people work so hard to help them get the project working."

Mr. Dusseau has also placed an offer on an additional adjoining parcel. Everyone has renewed their contracts to close on August 31<sup>st</sup>.

Ms. Woodard met with the prospective owners of the Johnson Building this week and they are really close to closing with Queensboro Bank. There will be 12 market rate luxury apartments on the second floor.

The Pilot Lighting Project is on schedule for the bids to come in late May and the project to start in June.

There has been no turn over in the CADI program. They have been furloughed to 35 hours a week. CADI employees each received a certificate and a \$100.00 gift card from Service Group and the Clean Augusta Downtown Initiative.

The Saturday Market has had a record number of vendors and patrons. Sponsorships raised to date in the amount of \$8,175.00 and the bank balance is in the amount of \$5,272.92.

The final design concept for James Brown Blvd. will be submitted. We are working with Georgia Power on pricing to bury the utilities.

There was a public meeting held on April 20<sup>th</sup> to start Phase 2 of the Harrisburg Survey. It went very well. Historic Augusta is now out in the field doing the survey and input into the database will begin in the next week or so.

The audit has been completed.

Finance and Design Committee meetings have been held.

The banner ordinance with the CVB has been completed and will go before the Augusta Commission.

Ms. Woodard thanked Mrs. Walls for all of her hard work on the audit.

A complete copy of the Director's Report was in board member books for their review along with the CADI Monthly Activity Report.

The board accepted the Director's Report.

Prior to moving to the next item on the agenda, Mr. Kendrick read to the board the resignation letter received from current DDA board member Mr. King. The letter was written to Ms. Woodard and dated 5/12/10. Mr. King has served on the DDA board since 2004. Mr. King decided to resign from the board as his business has grown and his available service time is limited. Mr. King will focus on his personal endeavors as he is a developer and would like to use some of the tools that the DDA has to further development downtown. With deep regret, the board accepted Mr. King's resignation.

Under New Business, Mr. Bowling spoke on behalf of the Nominating Committee. They met last month to discuss board replacement possibilities for outgoing board member Mrs. Brinson. Her term has expired. The committee is nominating Mr. Donnie Thompson. Due to Mr. King's immediate resignation, Mr. Thompson would fulfill the remainder of Mr. King's term. The Nominating Committee will continue to look for Mrs. Brinson's replacement.

The recommendation from the Nominating Committee was Mr. Donnie Thompson, a downtown property owner, as a nomination for the DDA board and to be presented to the Commission for their approval to the DDA board. Mr. Nixon made a second to the motion. All were in favor and the recommendation passed unanimously.

Mr. Kendrick asked the board if there was anything else to come before this Augusta body. From the floor, Mr. Penix asked Mr. Kendrick if it was appropriate for public comments. Mr. Kendrick asked Mr. Penix what the comments concerned and his response was the DDA.

Mr. Penix was told he would need to be placed on the agenda for the next DDA board meeting. Mr. Penix did not find that acceptable.

Mr. Kendrick explained again that items for discussion must be placed on the agenda before the meeting.

The meeting was adjourned at 9:18 a.m.

Respectfully Submitted,

Mark Bowling, Secretary