



McPherson Implementing Local Redevelopment Authority

**Finance Committee Meeting
June 16, 2016**

A meeting of the Finance Committee of the McPherson Implementing Local Redevelopment Authority (Fort Mac LRA) was held on Thursday, June 16, 2016 at 1794 Walker Avenue, SW, Atlanta, GA 30310.

Committee Members:

Aaron Watson, Chairman
Richard Holmes
Chandra Houston
Sondra Rhoades- Johnson

Other Board Members:

John Aiken
Brian McGowan
Joyce Sheperd
Fletcher B. Thornton
Felker Ward
Thomas Weyandt

Staff, Legal Counsel and Others:

Brian Hooker, Fort Mac LRA
Joyce Allen, Fort Mac LRA
Denise Perkins-Griffith, Fort Mac LRA
Arthur Mallard, Fort Mac LRA
Pete Hayley, Fort Mac LRA
Robert Mosby, Fort Mac LRA
Jeffrey Hicks, Fort Mac LRA
Quazilaon Lewis, Fort Mac LRA Fellow
Sayali Wagh, Fort Mac LRA Fellow
Anindya Kishore Debnath, Fort Mac LRA Fellow
Kenneth Neighbors, Attorney Greenberg Traurig
Jocelyn Bivens, Councilmember Joyce Sheperd's Office

Guests:

Mike Wilson, OEA

The Chairman called the Fort Mac LRA Finance Committee meeting to order at approximately 1:10 P.M.

Announcements and Welcome:

Chairman Watson welcomed everyone to the meeting.

Approval of Agenda:

Mr. Aaron Watson recommended the approval of the agenda. A motion to approve was properly made and seconded. Approval was unanimous.

Approval of Minutes:

Mr. Watson recommended the approval of the May 19, 2016 minutes. A motion to approve was properly made and seconded. Approval was unanimous.

Public Comment:

No one signed in for public comment.

Item: 5: Financial Update:

Mr. Brian Hooker, Executive Director, gave an update on the year-to-date budget through May 2016. Included in the committee's packet was a printout of the budget-to-actual report fiscal year 2016 to date. Mr. Hooker stated that Grants- Federal and Local were \$17,000 ahead in those categories; Real Estate was behind \$27,000; operating expenses were almost even in the salary/benefits category. The Caretaker category was \$46,000 under budget and the Project Development Expense was underspent. This was partially due to the delay in the VA Road Project. Overall, Project Development Expenses were \$53,000 under budget. The year-to-date net deficit is \$2.4 million dollars.

Item: No: 6: OEA Grants Discussion

Mr. Hooker reported that the Authority is still awaiting a decision from OEA regarding the audit response status. He stated there were two findings last fall that the Authority did not meet the local match requirements for Fiscal Years 2012 and 2013. In March of this year, OEA sent a written request for the Authority to provide an explanation and supporting documents of how the expenditures were made. The response was submitted to OEA on April 22, 2016. As of this date, no further response from OEA and their judgment on that has been received. The Authority is expecting to have some consequences for our failure to meet the match requirements. The total match not met is \$171,000. Mr. Hooker stated that a very important aspect of this situation is that the Authority cannot count on additional OEA funding for fiscal 2016 and 2017 until this issue is resolved. The proposed fiscal 2017 budget presupposes a favorable response from OEA.

Mr. Mike Wilson of OEA addressed the Committee and apologized for the delayed response. OEA has been working on formatting a response for 2 months and expects to

have it completed in a week so. The Authority can move forward on grant and supplemental funding already requested.

Item No. 7: Procurement Update:

Mr. Hooker commented on the Leasing and Property Management RFQ. The Authority is looking for partners to provide advice on converting the Campbellton Road parcel duplexes into multi-family rentals.

He also commented on the Professional Auditor RFQ. The Authority Evaluation Team is requesting an Auditor to be retained for a 3-year period instead of yearly. Mr. Hooker referred to the Resolution -Authorizing the 3-year Engagement of an Auditor and the Resolution – Change Audit Completion Requirement, requesting the Committee’s authorization to extend the audit completion time from 90 days to 180 days after the end of our fiscal year June 30, in line with other agencies and federal requirements.

Item No. 8: Resolution-Authorizing 3-Year Engagement of Auditor:

A motion to recommend to the full Board the engagement of an Auditor to cover a 3-year period motion was properly made and seconded. Approval was unanimous.

Item No. 9: Resolution-Change Audit Completion Requirement:

A motion to recommend to the full Board an update to the by-laws requiring audits to be completed within 180 days of end of fiscal year was properly made and seconded. Approval was unanimous.

Item No. 10: Presentation: FY17 Budget:

Mr. Hooker gave a detailed overview of the last two years’ progress before introducing the FY17 budget. By the end of FY15, the Authority had completed the transition of ownership of the property, securing the current 145 acres; engaged in an LCI study, which will go before City Council next week to be adopted; performed a significant amount of planning; made organizational and staffing changes and in the past year, caught up on 4 years of financial audits. The biggest change over the past two years was to assume the role of property owner and to continue to maintain the property in a marketable condition. The largest budgetary expenditure is the cost to maintain the buildings and grounds and to keep security in place. This year, Mr. Hooker expressed the need for a professional marketing firm.

Mr. Hooker reported that the challenge concerning the FY17 budget was to put everything in order. Included are contingent projects that the Authority would like to accomplish. Mr. Hooker then proceeded to give a detailed, line-by-line explanation of each line item listed on the budget. He noted that FY16 deficit was \$2.3 million. There is a \$600,000 improvement with this budget. Discussion from the Committee centered around specific items and the reserve account. It was suggested that the FY charts provided include annual total amounts instead of percentages. Detailed charts were in the Board’s handouts: Exhibit A - FY 2017 Budget Fiscal Year 2017, and Exhibit A – FY 2017 Contingent Projects.

Item No. 11: Resolution – Adopting FY17 Budget:

A motion to recommend the full Board adopt the proposed Fiscal Year 2017 Budget was properly made and seconded. Approval was unanimous.

Item No. 12: Insurance Package Presentation:

Mr. Brian Hooker reported on the 2016-2017 Proposed Insurance Register which included the Type of Coverage, Current and Proposed Premiums, Reduction and Proposed Carrier. The Total Proposed Premium for this period was \$141,997. The procurement process put the Authority in a competitive bid situation which turned out to be a positive for us, saving \$47,400.

Item No. 13: Resolution – Authorizing Insurance Package:

A motion to recommend to the full Board the approval of the New Insurance Package for Fiscal Year 2017 and Other Official Actions was properly made and seconded. Approval was unanimous.

Item No. 14: Introduction – Fort Mac FiberNet:

On behalf of Fort Mac LRA, Mr. Hooker requested authorization to develop and issue a RFP for an Open Access Carrier to implement a fiber-to-the-premise network that will provide enhanced broadband connectivity to all premises within the Fort Mac Campus and to a pilot number of neighboring communities. The overarching goal is to leverage fiber connectivity to help stimulate economic development while improving the community's socio-economic condition. This would be at no cost to Fort Mac LRA, pending funds from Invest Atlanta and an investing vendor. The project will not proceed if funding is not forthcoming as the LRA does not have sufficient funds budgeted for this project.

Item No. 15: Resolution – Authorizing Fiber Network Procurement:

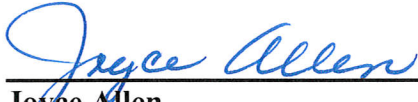
A motion to recommend to the full Board the approval of the procurement for an Open Access Carrier to implement a fiber network within the Fort Mac Campus was properly made and seconded. Approval was unanimous.

Adjournment:

A motion to adjourn was properly made and seconded. Approval was unanimous. The meeting was adjourned at approximately 2:27 P.M

(signatures follow)

Recorded By:



Joyce Allen
Sr. Administrative Assistant

Approved By:



Brian C. Hooker
Executive Director