

**Jefferson Downtown Development Authority Meeting
Tuesday, January 26, 2016 at 6:00 pm
At the Jefferson Station Community Room**

Members Present:

Joel Harbin
Steve Quinn
Christine Dalton
Tracy Kerlin
Terry Liles

City Staff Present:

Jon Herschell
Diana Norton-Bagwell

Guests Present:

None

City Staff Absent:

Beth Laughinghouse

Members Absent:

Willie Hughey
Shawn Watson

1. Call to Order
 - Meeting called to order by Joel at 6:01 pm.
2. Approve Minutes
 - Review of minutes. No questions or discussion. Approval motion made by Steve and seconded by Christine. November 2015 meeting minutes were unanimously approved.
3. Approve Budget Report
 - December financials (three documents) sent to board via email by Joel on 1/26/16. Hard copy of "Revenue & Expenditure Summary" provided with meeting agenda. This is the first time Pat had seen the December report.
 - Review of minutes. No questions or discussion as to content of the current report. Only discussion was regarding future reporting. Any future financial information received from the City of Jefferson must be forwarded on to Pat as well. However, going forward, Pat will provide the monthly budget reports to the DDA. Only question by Pat was if the budget is on a Fiscal or Calendar year (Calendar).
 - Approval motion made by Steve and seconded by Terry. December 2015 budget report was unanimously approved.
4. Committee Reports
 - a) Building and Property
 - i. Lee Street
 - Reported by Steve: The new property rep at Regions Bank is handling some of the payment process differently than in the past. They pay in two checks: One for rent, and one for operating expenses. Operating expenses cover the cost of power/gas and repairs. At the end of the year, those operating payments are reviewed and compared to what was actually spent for the year. If there is an overage, that is divided by twelve and applied as a deduction to the next twelve rent payments. We were currently under budget by \$13,000. Therefore adjusting the upcoming years rent to a little more than \$1,000 less per month. However, after review and interpretation of the lease, Regions has decided to take that deduction up front, from the

first two months of operating payments, rather than spread out over the year from rent. A meeting/discussion needs to be had to amend the upcoming rent payments so that they do not continue to take the \$1000+ deduction from rent as well.

- Reported by Steve: There is a disagreement as to the existence and use of the capital funds, which Ronnie Maxwell has been notified about. Regions is questioning as to where some of the repair/maintenance costs need to come from. Operating expenses versus capitol expenses. Regions now wants to issue three checks of payment (rent, operating, capital). They are also looking to spread out the cost of the heating unit over five years (warranty length). However, it is not their decision as to when to replace it if the unit has not stopped working. They requested for it to be replaced, and their lease is up in 2020. Steve will meet with Jon Herschell and Ronnie Maxwell to discuss this further. This is not a resolved issue. It is still in negotiations
- In the next 30-60 days Joe Harbin is to report the projected 2015 numbers. The \$13,000 in question above is from the 2014 numbers.

ii. College Street

- Reported by Joel: Joel and Steve met with Lee Hemmer on January 12th regarding listing this property. Mr. Hemmer took measurements and was impressed with the property. He suggested a possible list price of around \$200,000. No listing contract has been signed yet. Joel Harbin is waiting to hear back from him, and will follow up with him shortly. Mr. Hemmer was recommended to us after we had no response to the published RFP. He is extremely busy, but has a good reputation and is a commercial property company only. Beth did show the property to another interested individual, whom she will follow up with as well. If interested, he would be excluded from the contract with Lee Hemmer. Hopefully Joel will be able to report that the property is under contract with Lee Hemmer at the February meeting.
- Question as to what we owe on the building. Diana pointed out to Steve, the payable note to the DCA that is listed on the budget summary report, which Steve shared with Joel, and the group. (\$42,922.16) CrossFit Savior is still operating at the location on a month to month lease. Steve expressed concern over the decline in their clientele/business. He then pointed out that we do have a six month rent reserve on the property. The ownership of this property is falling right in line with our original timeline. We have had continued renters for the entire time, and we have made money on the property. Jon asked about what improvements the DDA has made to the building. The entire building was basically gutted and redone just under budget of \$100,000. With new windows, electrical, doors, pavement, painting, etc.

5. New Business

a) Façade Grant Applications

- No new applications for the month of December.

6. Old Business

a) Winter Wine Fest 2016

- This had to be cancelled as everyone was just too busy to get it put together. Preparation must begin earlier for next year (September). Tracy asked if there will be another fundraiser to make up for it, such as a spring event. She already had twelve tickets sold, as people love to come downtown for events like this. Proposed by Joel that the DDA team up with Main Street for an event, as a joint project. However, this does not mean that we will not continue to do the Winter Wine Fest. Perhaps it needs to be an every other year event.

b) Downtown Advertising

- Nothing to report as this is Shawn's project. One remark Steve shared was that a Jefferson visitor followed the billboard and turned right at the "next right", which put him into a private community. There are actually about five rights from the billboard to where you need to turn to get into Jefferson. (Silver lining is that someone saw the billboard!) This feedback needs to be given to Shawn.

c) Checking Account & Accounting Services

- The new DDA checking account is set up and the accounting firm is in place. The money was transferred to the account today (1/26/16), so the DDA will now be paying their own bills. Monthly reports from Pat will be shared with Amy at City Hall so that she is informed and has all information necessary for the audit. She is to receive all details. These reports will go through the DDA first for review before being sent to Amy, just to verify that there are no discrepancies. Financials will be approved at the monthly meetings as usual, and then sent to Amy. Jon asked if the DDA audit will still be a part of the city audit, or a separate audit. He suggested that it will be easier and cheaper to still be a part of the city audit. However, there is a list of things that the DDA will need follow to do so. Jon emailed that list to Beth. Jon would like to meet with Beth and Pat about the audit. Steve does not foresee a problem with keeping the audit as part of the city.
- The only checking account signers are Joel, Steve, Pat and Holly Ashworth. Steve suggested setting a check signing limit policy and adding that to our bylaws. Also, the October minutes need to be amended (as discussed and approved in November) to show that Steve was to be included as a signer. Those amended minutes needed to be provided to Pat and the bank. *It was voted on in October that Steve be included on the account, but the October minutes did not reflect that. It was voted on in November that the October minutes be amended to show that October vote.* At Pat's suggestion, let it show that these minutes reflect that it was approved that Steve Quinn is to be included on the Jefferson DDA checking account. Pat brought the bank signature cards for Joel and Steve to sign tonight.
- Pat reported that she does have bills to pay. There are two that are past due, as she did have them, and then didn't have them. She received them back just an hour earlier that evening. Pat plans to set up the monthly note payment on automatic draft to eliminate writing that check. There was not a vote, but it was ok'd. Pat has also ordered checks and given Beth the deposit slips. In total she has spent around \$50.

7. Public Input

- None

8. Adjourn

- With no further questions or discussions a motion to adjourn was made by Terry and seconded by Christine. Meeting adjourned by Joel at 6:36 pm.

