

**Downtown Development Authority**  
**Meeting Minutes**  
**May 8, 2008**

The regularly scheduled meeting of the Downtown Development Authority was held May 8, 2008 at 8:30 am at the DDA offices located at 416 8<sup>th</sup> Street. Those members in attendance were Dr. James Carter, Commissioner J.R. Hatney, Paul King, Steven Kendrick, Julian Roberts, Phil Wahl, Cassandra Brinson, Legal Counsel Byrd Warlick and Executive Director Margaret Woodard. Guests and observers included SM Coordinator Jessica Fuselier, summer intern Lance Cheely, Rick Evans of Serotta Maddocks Evans & Co., CPA's, Barry White of the Convention & Visitors Bureau, Michael Thames of the Metro Spirit, CADI Project Manager Rick Wiggins, and Lara Plocha of the Downtown Augusta Alliance.

Steven Kendrick called the meeting to order at 8:30 am and welcomed everyone. Julian Roberts asked for a review of the previous meeting minutes from March 13, 2008. With no additions or corrections, Dr. Carter moved the minutes be approved. Mr. Roberts made a second to the motion. All were in favor and the motion passed unanimously.

In the Financial Report, Mr. Phil Wahl stated that total income year to date is \$165,574.69, with total expenses in the amount of \$169,365.60, and a loss of \$3,790.91. The balance sheet reflects the current checking/savings balance in the amount of \$512,602.77, and total fixed assets at \$37,378.70, for a total of \$549,981.47. The total equity is \$544,260.67. SMOB has total income year to date of \$11,668.34 and total expenses of \$10,115.91, with a small net income of \$1,552.43.

Mr. Wahl introduced Mr. Rick Evans of Serotta Maddocks Evans & Co., CPA's to present the 2007 Audit Report. SME has reviewed the policy and procedures and determined that the financial statements fairly represented our entity in accordance with Generally Accepted Accounting Principles (GAAP) for a non-profit/government operation. Mr. Evans went over the statement of net assets which included capital assets in the amount of \$3.6 million and bond debt in the amount of approximately \$1.8 million, for a net asset value in the amount of \$2.2 million.

Mr. Evans also presented the Statement of Activities that will be presented within the city's financial statements. Expenses for all governmental activities are \$815,967; fundraising revenues are \$2,546; operating grants and contributions are \$315,055, and capital grants and contributions are \$729,550. Mr. Evans also went over the Balance Sheet as a governmental fund. This does not include all of our capital assets and bond debt. That is reported separately in the city's financial statements.

Mr. Evans presented the Statement of Revenues, Expenditures, and Changes in Fund Balance excluding the capital assets and the bond debt. He also reviewed the Supplemental Schedule of Expenses by Activity Report. SME made several accrual journal entries and has brought the DDA to full accrual status as of December 3, 2007. Mr. Kendrick asked Mr. Evans if we were now on an accrual basis and not cash basis.

Mr. Evans said that in-house we are on a cash basis, but once a year we have to look at an accrual set of financial statements. This audit set of financial statements used the accrual basis of accounting.

Mr. Evans presented Ms. Woodard with a set of journal entries that SME posted to the DDA account. Mr. Evans stated we are not recording depreciation on a monthly basis nor recording bond debt payments, as these debt payments are made by the city.

Mr. Evans presented the Notes to Financial Statements Report which included debt service on bonds through 2010. Debt service is not paid by the DDA but the DDA Board has a fiduciary responsibility for the bonds. Mr. Roberts asked if the capital asset list included everything the DDA owns, such as the parking deck for the Marina and the land along the levy. Mr. Evans explained that before the bond debt is paid off there is a provision that reverts the property back to the city. So long as there is a debt outstanding, the assets will be shown on the DDA financial statements. SME will review the bond debt agreements to ensure that the language and the agreements are properly reflected in the audit.

Mr. Evans presented a letter regarding the audit that described the responsibilities of the management team and the audit firm. It is management's responsibility to develop the accounting policies and recording activities of the organization during the year. An adjustment was made for depreciation and amortization for: capital facilities and bonds, adjusted bond debt, and accrued number of payables including Christmas decorations, as purchased in 2007. He was pleased to report no disagreements with management during the course of the audit.

In closing, Mr. Evans presented a letter regarding SME recommendations. Because SME is the independent auditor they must remain independent of our books and records. Management should consider the costs and benefits of outsourcing the preparation of all necessary journal entries and footnote disclosures in accordance with the requirements of GAAP to another accountant. Mr. Evans stated that several non-profit organizations have had to hire two accounting firms: one to prepare financial statements, and another to audit the financial statements. Mr. Evans will provide the DDA with a checklist from the IRS.

Mr. Kendrick thanked Mr. Evans for his presentation. Mr. Wahl made motion to accept the draft audit as information until the final audit is completed with issues regarding property assets included. Mr. Roberts made a second to the motion, and the motion passed unanimously.

In the Chairman's Report, Mr. Kendrick stated that he and Ms. Woodard had taken the Leadership Augusta Executive Forum on a bus tour of downtown that included a tour of the JB Whites Building.

In the Director's Report, Ms. Woodard stated: the feasibility study for the proposed hotel development at the Commons is underway; the Watermark Project is waiting on a letter

from the EPA; the bid opening for the Ellis Streetscape Project is June 3<sup>rd</sup>; the 10<sup>th</sup> Street Demo block is near completion with banner and kiosk installation forthcoming.

Ms. Woodard stated that the Commission voted unanimously to lend the CADI money interest free to operate. She thanked Commissioner Hatney for his support on this initiative. Morris Communications built a shop area for the CADI and is not charging rent. Ms. Woodard is working on voluntary contracts for Zone 3 and Barry White has included money in his budget for hospitality training scheduled for June.

Ms. Woodard stated that the date for Christmas Light Up Spectacular is Saturday, December 6. A Steering Committee has been formed this year. Mrs. Fuselier will manage planning for the event and Ms. Woodard will raise funding. Phase II includes Reynolds Street, the 5<sup>th</sup> and 13<sup>th</sup> Street bridges, and banners for the other districts.

Ms. Woodard stated the new location of the Saturday Market on the 8<sup>th</sup> St. Plaza is working well. This past weekend Saturday Market was crowded and most merchants sold out. The location enables cost savings, including the rental truck (\$3000), gas for generators, dumpster fees (\$50 per month), and sharing the costs for port-o-lets with Parks and Recreation. This past Saturday the market took in \$1000 in vendor fees and currently there is \$14,000 in the bank. We need to reconsider our starting dates for next year, as attendance was low the first two weekends.

Ms. Woodard stated that she has met with representatives from Harrisburg and Paine College to discuss effective methods of support and help since their inclusion in the DDA District. Also, she and Mr. Wahl had lunch with Mr. Bill Bowes, the new Finance Director of MCG. Ms. Woodard asked Commissioner Hatney for names of contacts she could meet with in the East Boundary area.

Mr. Dave Dickey of URS was in town Monday, May 5<sup>th</sup> regarding the trolley alignment. URS suggests doing the project in phases with the first loop being from the James Brown Arena to MCG. They also suggested designing for double track, but first building single track to save money and build ridership. Single track costs \$13 million per mile and federal funding is available up to \$25 million dollars from the Smart Start Program. In order to move forward, the DDA will need to find funding in the amount of \$40,000 to proceed to the next steps of design work, cost estimates, and implementation. Mr. King proposed sending this to the Finance Committee to look for funding and all were in agreement. Dr. Carter suggested using a half track system to save additional money.

Ms. Woodard introduced Lance Cheely as a summer intern at the DDA from the University of Georgia. He is working on the Museum of History green space design and a business guide. Mr. King made a motion to accept Ms. Woodard's report as information. Mr. Roberts made a second to the motion, and the motion passed unanimously.

Under Old Business, Mr. King spoke of House Bill 851 which the DDA voted to support. This bill aligns Georgia with many other states and the Federal Historic Preservation Tax

Program. Our local delegation supported this bill. It has now passed the house and senate, and is awaiting signature from the governor. Mr. King wanted to thank and compliment the delegation on the record for supporting the Downtown Development Authority on this initiative.

Under Old Business, Ms. Woodard spoke about the 8<sup>th</sup> Street sidewalk the board discussed in February. Originally the owners wanted to install a slate gray sidewalk in front of their property which the board decided would set a bad precedent for others wanting new sidewalks as well. The board gave Ms. Woodard discretion to make improvements to the existing sidewalk to thank the owners for their investment in a new façade. Ms. Woodard met with Mr. Fletcher and wrote a letter stating the DDA's position and promised funding for the existing sidewalk. Regardless, a new sidewalk was poured and it is dark gray. The city engineering department approved the work under the pretense that the DDA had approved it as well. Ms. Woodard presented a letter written to Mr. Richard Fletcher from Mr. Thomas W. Adams of the Engineering Department approving the sidewalk and the letter to Mr. Fletcher from the DDA Commissioner Hatney.

Under New Business, Mr. Wahl presented an application for a revolving funds loan through the Georgia Cities Foundation. The application, as submitted, is from the 1015 Broad Street LLC owned by R.W. Allen for the new offices located on Broad Street. Mr. Roberts of Augusta IT stated he has performed work for R.W. Allen and excused himself from the meeting temporarily as it may be a conflict. The project cost is \$1,087,000.00 and they are requesting a \$250,000.00 GA Cities Foundation Loan. The package is complete. Funds will be used to renovate the structure's interior shell and meets the requirements. Mr. Wahl made a motion to approve the application. Mr. King seconded the motion, and the motion passed.

Under New Business, Ms. Woodard stated that she has budgeted \$10,000.00 for summer interns. She would like to hire Aubrey Dennis-King and Wright Montgomery for the summer. Mr. King for the record left the meeting temporarily. The jobs are part-time and pay \$10.00 per hour. Mr. Roberts made a motion for Ms. Woodard to hire who she wants to. Dr. Carter made a second to the motion and the motion passed.

Mr. Coco Rubio was supposed to be at the meeting to discuss the 10<sup>th</sup> Street Demonstration Project, but notified Mr. Kendrick that morning and would be unable to attend.

Mr. Kendrick adjourned the meeting at 10:15 am.

Respectfully Submitted,

Julian Roberts, Secretary