

Minutes - REGULAR MEETING

**JOINT DEVELOPMENT AUTHORITY OF THE UNIFIED GOVERNMENT OF
ATHENS-CLARKE COUNTY, GEORGIA AND THE CITY OF WINTERVILLE**

Wednesday, August 2, 2023 – 5:30 pm
City Hall, 301 College Avenue, Room 103

Directors in attendance: Virginia Ball, Erica Cascio, Steve Catani, Dodd Ferelle, Kelly Girtz, Stephanie Lynn

Directors Absent: None

Staff & Counsel in Attendance: Myung Cogan, Ilka McConnell, Greg Sowell

Call to Order (as a regular meeting) at 5:35pm by Erica Cascio, Interim Chair

Approval of Agenda:

Motion to approve, including amendment to agenda: Stephanie Lynn made a motion to approve the agenda with an amendment to add a new business item regarding offered recognition of the JDA from Nuci's Space.

Second: Dodd Ferelle

The motion, including amendment to agenda, was approved unanimously by the Directors

Approval of Minutes for 5/3/2023 regular meeting

Motion to approve minutes: Kelly Girtz

Second: Stephanie Lynn

The motion was approved unanimously by the Directors

New Business:

**A. Nuci's Space Recognition of JDA Support from the Athens CARES
Emergency Grant Program:**

Stephanie Lynn shared that Nuci's Space would like to recognize the support they received via a \$9,800 Athens CARES emergency grant from Athens-Clarke County Unified Government through the JDA with a record-shaped plaque at their facility.

Stephanie made a motion to approve accepting the recognition from Nuci's Space, and to submit the following wording to them for the plaque: "Joint Development Authority of ACC and Winterville & Athens Clarke County Unified Gov't Athens CARES Program."

Second: Dodd Ferrell

Motion was approved unanimously by the Directors

B. Nominations and vote upon new JDA Board Chair:

Motion to table nominations/vote upon Chair: Stephnaie Lynn

Second: Steve Catani

Motion to table approved unanimously by the Directors

C. Nominations and vote upon JDA Board Secretary:

Steve Catani asked what the duties of Board Secretary included. The Directors shared the duties, and then Steve said he would be willing to serve as Board Secretary.

Motion to nominate and approve Steve Catani as Board Secretary: Stephanie Lynn

Second: Erica Cascio

Motion to nominate and approve Steve Catani as Board Secretary was unanimously approved by the Directors

D. Old Business:

1. JDA Turntable Revolving Loan Fund:

Stephanie Lynn provided an update on loan repayments. Nearly \$175,000 of loans are currently outstanding, from 12 businesses. She expects about \$50,000 to be repaid, with about \$120,000 in arrears/to be collected.

Ilka McConnell shared that she has not yet begun the small claims court process for the outstanding loans that have not been repaid and went to collections but were not collected. She will do that in the near future.

Greg Sowell provided a draft of an updated JDA-First American Bank & Trust Loan Administrator & Loan Servicing Agreement. He asked the Directors to carefully consider and identify JDA loan criteria, objective standards that can be identified and put into place to determine which loan applications will be prioritized for lending decisions. The Directors discussed the criteria that has been used for the previous, emergency loan program. Greg noted that under the draft agreement, the Bank will receive a \$250 application fee for each application, and a 5% past due fee to cover follow-up on past-due loan accounts.

There was discussion of whether to charge a fixed interest rate, or to float the rate with prime. Several members expressed concern with a floating rate because they did not want businesses to suffer in case the prime rate went up. The Directors agreed that a fixed rate would be beneficial for potential small business borrowers, especially with managing their expenses/cash flow. Length of loan period was also discussed: 24 months, 36 months, making sure the repayment term is long enough so a business does not have to struggle to repay in a short

period. Directors agreed that they were open to offering loans to non-profits as well as for-profits, and that there should be collateral or a guarantor.

The Directors discussed the idea of asking loan applicants to document the reason(s) that they need the loan, and what they would use the loan funds toward: workforce training, equipment, expansion, etc, etc. They asked Myung Cogan, Small Business & Entrepreneurship Coordinator, her perspective on small business' needs for capital from her work with local small business owners. She replied that she has heard a variety of needs, from resources to be able to better pay employees, to funds for expansion and new space. The question was raised whether the Revolving Loan Funds could be used to provide small businesses with a line of credit for inventory, for example? Greg Sowell replied that it is possible because the RLF is the JDA's money, and that it would be something to discuss with First American to ask their thoughts and how that might be accomplished. Loan funds must be used to support industry, trade, and commerce which is the role of a JDA within state law, and the Directors discussed the importance of making sure that the community benefit/greater good (job creation, capital investment, etc) resulting from each loan needs to be articulated.

Virginia Ball requested a list of previous loans made by the JDA and suggested the group look at which type/sector of businesses, age/tenure of business, and other characteristics, etc were able to repay their JDA loans, as compared to those that were unable to repay. Stephanie Lynn said she would be glad to share that information.

Directors agreed that they would each come back to the group and share their ideas and thoughts re: JDA loan criteria, and would come prepared to discuss at a special called meeting to be scheduled Weds, September 27th at 5:30 pm in Room 103 at City Hall.

Stephanie Lynn made a motion to approve the draft JDA-First American Bank & Trust Loan Administrator & Loan Servicing Agreement in principle, and to authorize the Interim Chair to sign the agreement once it is finalized.

Second: Dodd Ferrelle

The motion was approved unanimously by the Directors.

2. Annual financial audit:

Stephanie Lynn shared that she and Ilka McConnell met with Sam Latimer from Rushton to discuss coordination for the JDA's annual audit. The audit must be completed before December 31 for the JDA to submit it as part of the Authority's annual reporting to GA Dept. of Community Affairs. The JDA has engaged Rushton for the past 2 years to conduct the audit. Next year we will reach out to alternate audit firms to gather proposals and price quotes, as it is a best practice for an organization to utilize a different audit firm after a period of 3-4 years, for a different perspective and set of auditing eyes.

Stephanie Lynn made a motion to approve engaging Rushton to complete the

annual audit.

Second: Dodd Ferrelle

The motion to engage Rushton to complete the annual audit was unanimously approved by the Directors.

3. Renewal of JDA annual public officials insurance policy:

Ilka McConnell provided an update that she completed the policy renewal application and has given the OK to Chastain & Associates (broker) to bind the renewed coverage, so there will be no lapse in coverage. The annual premium for the coverage is \$2,672, the same premium as the prior 2 years.

4. Update on Northeast Georgia Food Bank expansion:

Ilka McConnell provided an update that the FoodBank expansion, which is being funded partially by CDBG-CV funding through GA Dept. of Community Affairs, is progressing very well. Foundations are in place, and steel is due for delivery this week. She shared the log of project change orders, which total (-\$539,695.37).

E. Treasurer's Report:

Stephanie Lynn shared the Treasurer's Report. Per the Directors' discussion and approval at the May regular meeting, she moved \$450,000 of RLF funds into a short-term, 6 month CD which ends/matures this November.. Since June, the funds have earned approximately \$2,400 in interest. The loan account has \$250,000 in currently available funds. If the JDA continues to maintain a similar proportion of available funds and funds in the CD, there is the potential to earn between \$17,000 - \$19,000 in interest which can be used to cover JDA operational expenses. We will need to determine the balance (amount of funds to hold in CD vs. in loan account) once we set the new loan criteria and make funds available for lending, as we don't know yet what the demand for loans will be.

F. Counsel's Report:

Greg Sowell noted that the targeted Certificate of Occupancy for the Food Bank project is Summer 2024. The FoodBank and their attorney have requested to begin working on the lease between the JDA & FoodBank, which he will begin doing.

G. Staff Report: Ilka McConnell - None.

H. Next Special Called Meeting: September 27th, 5:30pm, City Hall Room 103

I. Next Regular Meeting: November 1, 2023 - 5:30pm, City Hall Room 103

J. Adjourn

Stephanie Lynn made a motion to adjourn at 6:43pm

Second: Dodd Ferrelle

The motion to adjourn was approved unanimously by the Directors