



**LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, OCTOBER 22, 2019
9:30 A.M.**

BOARD MEMBERS PRESENT: Derek Dickow
Linda Forte
Arthur Jackson
Machion Jackson
James Jenkins III
Katrina McCree

BOARD MEMBER ABSENT: Furquan Ahmed
Irma Clark-Coleman
Damon Hodge
Mariann Sarafa
Vacancy

OTHERS PRESENT: Gay Hilger (DEGC/LDFA)
Paul Kako (DEGC/LDFA)
Jennifer Kanalos (DEGC/LDFA)
Glen Long (DEGC/LDFA)
Rebecca Navin (DEGC/LDFA)



**MINUTES OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, OCTOBER 22, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD STREET, SUITE 2200 - 9:30 A.M.**

GENERAL

Call to Order

Noting that a quorum was present, Chair Forte called the Regular meeting of the LDFA Board of Directors to order at 10:07 a.m.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the June 25, 2019 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Ms. Jackson, seconded by Mr. Jackson, Resolution Code LDFA 19-10-02-56 was unanimously approved.

Acceptance of Treasurer's Report

Mr. Long reviewed the Treasurer's Report of Receipts and Disbursements for the month of June 2019 and July through September 2019 for the benefit of the Board and responded to questions.

Subsequent to the discussion, the Board took the following action:

On a motion by Ms. McCree, seconded by Mr. Jackson, Resolution Codes LDFA 19-10-03-43 and LDFA 19-10-03-44 were unanimously approved.

ADMINISTRATION

LDFA Audited Financial Statements and Management Report as of June 30, 2019

Ms. Kanalos advised that copies of the above-referenced materials were distributed to each Board member under separate cover on October 2, 2019.

The LDFA staff reviewed the material and recommends formal receipt by the LDFA Board.

The resolution included in the Board material indicates the Board's formal receipt of the LDFA Audited Financial Statements and Management Report as of June 30, 2019, with comparative totals as of June 30, 2018, as prepared by George Johnson & Company, Certified Public Accountants.



Mr. Long informed that the audit was conducted by George Johnson and Company and it was a clean audit. There is not a lot of activity on the LDFA but we have the bonds that come due in 2021. The actions that we took last year are going to get us to the finish line on these bonds and we are going to get them all paid off. We have enough money to pay the interest payment on November 1. The first half payment from the City was \$1.7 million and the second half payment should be about the same. We get money from the State personal property tax make-up. We are not going to get enough to cover the debt service. We haven't in many years. We have been paying off of the fund balance. We will continue to do that. This time, we will have to access the debt service reserve account which will be a material event that we'll have to recognize with Wall Street, but we will get the bonds paid off. It is good news overall. That is why the debt service accounts are there. The revenues are what the revenues are and there is nothing we can do about it.

Mr. Long added that another thing to note, the audit is submitted to the State and the Board will get a letter later today with our explanation to the State of why our revenues are \$4 million and our expenses are \$8 million.

Ms. Forte asked what the current amount of the reserve account is. Mr. Long responded that the reserve account is required to equal the highest amount that we had in any given year on the bonds. So, we have about \$8 million in the reserve account and the debt service should be about \$8 million. We should get \$4.5 million in revenues this year and we have about \$2 million in our fund balance reserve, so we are going to have to tap into the debt service reserve account for that difference of about \$1.5 million this year. What will happen is we will get our first half reimbursement in October of 2020 and that money will go to replenish the \$1.5 million we are going to have to take out of debt service reserve account in May, so that will make the account full again. Then we will be in the final year of the bonds and traditionally we don't make debt service payments because they take the money out of the debt service accounts in the final year. So once we get that replenished in October, we will be good in May. Once the debts are repaid, unless there is a new project, the LDFA will be done.

Ms. Forte thanked Mr. Long for the explanation and for refreshing everyone's memory

Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Dickow, seconded by Mr. Jenkins, Resolution Code LDFA 19-10-01-149 was unanimously approved.

PROJECTS

OTHER MATTERS

PUBLIC COMMENT

ADJOURNMENT

With there being no other business to be brought before the Board, on a motion by Ms. McCree, seconded by Mr. Dickow, Ms. Forte adjourned the meeting at 10:15 a.m.



500 Griswold, Suite 2200
Detroit, MI 48226

CODE LDFA 19-10-02-56

APPROVAL OF THE LDFA MINUTES OF JUNE 25, 2019

RESOLVED, that the minutes of the Regular meeting of June 25, 2019 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Local Development Finance Authority.

October 22, 2019



CODE LDFA 19-10-03-43

APPROVAL OF TREASURER'S REPORT FOR JUNE 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for June 2019 as presented at this meeting, is hereby in all respects ratified and approved as action of the Local Development Finance Authority.

October 22, 2019



CODE LDFA 19-10-03-44

APPROVAL OF TREASURER'S REPORT FOR JULY THROUGH SEPTEMBER 2019

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for July through September 2019 as presented at this meeting, is hereby in all respects ratified and approved as action of the Local Development Finance Authority.

October 22, 2019



CODE LDFA 19-10-01-149

ADMINISTRATION: LDFA AUDITED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AS OF JUNE 30, 2019

RESOLVED, that the Board of Directors of the Local Development Finance Authority (the “LDFA”) hereby acknowledges receipt of the LDFA Audited Financial Statements and Management Report as of June 30, 2019, with comparative totals as of June 30, 2018, as prepared by George Johnson & Company, Certified Public Accountants.

October 22, 2019