City of Madison

Meeting Minutes - Draft
COMMUNITY DEVELOPMENT AUTHORITY

Tuesday, March 3, 2015	**2:00 PM**	**215 Martin Luther King, Jr. Blvd.** **Room LL-130 (Madison Municipal Building)**

~ CDA FINANCE SUBCOMMITTEE MEETING ~

35867   SCHEDULED MEETINGS:

Housing Operations Subcommittee: Wed., March 11, 4:30pm, 120 MMB
CDA Regular Meeting: Thurs., March 12, 4:30pm, 260 MMB
CDA Special Meeting: Thurs., March 26, 4:30pm, LL-130 MMB
Finance Subcommittee: Tues., March 31, Noon, 313 MMB
Community Development Subcommittee: Thurs., April 2, 2pm, 313 MMB

CALL TO ORDER / ROLL CALL

Present: Dean Brasser and Daniel Guerra

Staff: Natalie Erdman, Agustin Olvera, Matthew Wachter and Nancy Prusaitis

The meeting was called to order at 2:15 p.m.

1.   **APPROVAL OF MINUTES: January 6, 2015**

A motion was made by Guerra, seconded by Brasser, to approve the minutes for the meeting of January 6, 2015. The motion passed by voice vote.

2.   **PUBLIC COMMENT**

None

3.   **DISCLOSURES AND RECUSALS**

None

4.   **37098**   Review of Village on Park Financial Statements

Erdman distributed the historical performance of Village on Park, including a list of operating costs, including cost of broken pipe, Inter-D charges for Finance and Economic Development, $16,000 for asbestos/air monitoring, $32000 capital costs (roof, finished out Lanes. No new debt in 2014.

Started year with over $300,000; have over $200,000 in 2015. Money used to plug gap. Expect to have $1.5M in revenues for 2015. Still losing money this year (probably $40,000).

Still have asbestos and three chunks of roof that need to be replaced. Need to come up with the money to demo north building.

Look at 5-10 year proforma.

Guerra said the CDA came in and stabilized the neighborhood. Now is the time for the private sector to step up. Figure out how to make that market viable. Very little we can do to maintain status quo.

Erdman suggested finding a private developer to do the north end. Ten-year proforma as is and then look at the economics with something new on the north end.

Brasser asked if there is any way to determine that the asbestos testing is not necessary. Erdman said they haven't had one positive test. Could check on rebidding the testing.

Guerra suggested covering security for another year and then letting the tenants cover it. Erdman said or we could just try reducing security. Could look back at incident reports. Going through with Siegel-Gallagher to see about trimming expenses.

Brasser said the City has the ability to be delay debt service.

Madison College' lease comes up in 2017. They're doing an assessment of their needs.

5. **37099**   Schedule for Review of CDA Components

Erdman said they are currently working through what we went through at last meeting.

6. **37458**   Review of Truax Financial Statements

Olvera distributed the Truax financial statements. We are breaking even.

Page 4 - 2014 and 2013 comparisons, rental income went up. Subsidies went down. 2013 was a sequestered year.

Still waiting to get rest of information on amps.

Occupancy - 90-99% occupancy.

Erdman said we make a payment to CDBG of $70,000/year.

$25,000 that's not real revenue. When an LLC takes a grant, it's booked as income, but they don't take it all in one year. Take it over the life of a transaction. Function of gap accounting.

Brasser said the balance sheet shows deferred revenue remaining.

Erdman said we can come back with more information.

Brasser said a proforma is helpful to look at/cash flow.

Guerra said there was a swing in rent and admin fees. Olvera said at least two staff were gone most of the year.

Erdman said we will bring this item back next month.

7.   **37459**   Review of Monona Shores Financial Statements

Erdman said she would like to refer this item. Joe Gromacki is working on it. There are fairly large vacancies. He will do a full assessment of what the action plan should be.

8.   **ADJOURNMENT**

A motion was made by Guerra, seconded by Brasser, to adjourn. The motion passed by voice vote. The meeting adjourned at 3:15 p.m.