

Investment/Oversight Committee
Audubon Area Community Services, Inc.
Committee Minutes
January 28, 2010

The Investment/Oversight Committee convened at 11:00 a.m. with the following members present:

Hon. Reid Haire

Mr. Ronald Logsdon
Rev. Jerry Manning

Mr. Byron Mayes

Mr. Dan Lanham, GRITS manager, was also invited to attend and offer input on the central topic of the meeting: Clearing all final financial obligations on the Audubon Transit Facility/Parking Garage.

OLD BUSINESS

None.

NEW BUSINESS

Audubon Transit Facility/Parking Garage & AACS Funding got the Final Financial Obligation. The meeting convened to review agency options for meeting its close-out financial obligations on the downtown Owensboro parking structure. Final billings are expected to be payable by the end of March 2010.

Payments to Date/Payments Coming Due. The Chief Financial Officer (CFO) presented a summary Phase I/Phase II (ARRA-funded) parking garage payment schedule. To date, \$3,137,879.26 has been paid to Hartz Construction. He projected the sum of \$400,469.42 remaining to be paid — a substantial portion of which is retainage from Phase I which was able to be deferred until this time because of the ARRA-funded Phase II work to add two additional floors onto the structure.

Final Billings Projected. As noted, \$400,469.42 is expected to be payable to Hartz Construction by the end of March 2010.

AACS' Board-approved Commitment. April 8, 2008, the Executive Committee approved a commitment of \$500,000 to be garnered from a partial sale of shares from the agency's \$3.5 million WellPoint stock portfolio to help bridge an \$800,000 gap between the agency's earmark grant award for the parking garage and Hartz Construction's low bid. It was expected at that time that the Daviess County Fiscal Court and the City Commission of Owensboro would both contribute \$100,000 to further close the gap. That proposal was ratified by the Board on April 15, 2008. (*The County did pay its share, but the City did not.*) In June 2008 the Board approved an additional \$85,000 commitment to put in the remaining auger-cast pilings/foundation required to eventually take the structure to three full levels.

Remaining Financial Need and Proposal. The CFO said that he expected to pay the remaining portion (\$107,055.13) of the agency's original \$500,000 commitment toward the latest received billing in February 2010. When that \$500,000 resource is fully expended it will then be necessary for the agency to find \$293,414.29 from other resources. He proposed that the agency commit \$203,971.88 currently residing in the agency's WellPoint/BIDA account to defray the substantial share of the remaining obligation to Hartz for the parking garage construction contract.

AACS WellPoint Stock Portfolio and Related Account. As approved by the Investment/Oversight Committee and the Board, a sale of WellPoint stock was “triggered” at a “stop” figure of \$37.50 per share on January 13, 2009. Just over \$500,000 was garnered from the sale of some 13,000 WellPoint shares and the proceeds were placed in an interest-bearing Business Investors’ Deposit Account (“BIDA”) investment account with BB&T.

A subsequent sale of 5,000 WellPoint shares was “triggered” in April 2009 with the \$40 per share dip in stock value as set by the Investment/Oversight Committee and Board. That sale netted \$198,867.33, which was also placed in the BIDA investment account. With interest gained and the \$500,000 Board commitment expended, the CFO stated that the BIDA account currently had a balance of \$203,971.88 remaining, and that balance is what he proposed to the Investment/Oversight Committee to be committed toward the remaining \$293,414.29 obligation on the parking garage. That would leave \$89,442.41 that the agency would have to pay from other resources, its own general fund, by agency purchase card payment, or by GRITS funds.

Rev. Manning moved that the agency commit the \$203 thousand balance, more or less, to defray the last remaining Hartz Construction bill(s) when due and that the remaining \$89,000 or so that would be due be covered either by agency credit instrument or check payment out of the agency’s General Fund. Judge Haire seconded and the motion carried without opposition.

ADJOURNMENT

There being no further business, the Committee meeting adjourned at 11:45 a.m.