

CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION
Audit/Finance Committee/Governance Committee Dec.1st, 2010

Present: Bruce Armstrong, Terry Roche,

Proxy: Terry Roche for Wayne McIlroy

Absent:

Others Present: John McHugh

Call to Order: The meeting was called to order at 3:50 p.m.

Minutes: None

REPORTS:

a. Select Accountant

Mr. McHugh presented the accountant letter proposal from Sovie and Bowie, etc.. He noted that Sovie and Bowie has prepared our audit and tax returns since the beginning and are very helpful throughout the year. Mr. Roche moved to select Sovie and Bowie to complete the 2010 audit and tax returns as proposed, which was seconded by Mr. Armstrong and approved unanimously.

b. Investments

Mr. McHugh reported that he has secured quotes from local financial institutions concerning interest rates for 1 year CD's and Money Market Accounts. Results are attached. In both cases Carthage Federal S&L had rates much higher than their competitors. Mr. Armstrong moved to keep are CD's and Money Market Account with Carthage Federal S&L. Mr. Roche seconded the motion which carried unanimously.

c. 256 State Street Apartment Occupancy Bonus

Mr. McHugh presented a detailed history of tenant occupancies for the 12 month period from November 2009 to November 2010 at Heritage Place Apartments. He noted that total months occupancy was 237 months out of 240 for a 98.75 % occupancy rate. He noted that an occupancy rate over 90% warranted a \$6,000 bonus, 85-89% warranted a \$4,000 bonus and 80-84% warranted a \$3,000 bonus. He explained the history of rent-up at Heritage Apartments. Originally the CDG was contracting for processing of tenant applications which required tax credit compliance. The cost was \$9,000 or more and occupancy was in the 50% range. The Board requested that Mr. McHugh obtain certification in tax credit rent up and take over the rent up for the project. Rather than a pay raise it was proposed that a bonus be provided based on occupancy. This is the third year of the arrangement and the annual occupancy has been above 95% for the period. The board members reviewed the report and Mr. Armstrong moved to approve a bonus of \$6,000 which Mr. Roche seconded and approved unanimously.

d. Main Street Projects- Main Street Committee opened at this point

1. Mr. McHugh reported that the entorca building has sold to a new owner and the owners are in desperate need of assistance for urgent repairs in the building. It appears that the building needs roof repairs, a new boiler system, plumbing and

electrical improvements. Mr. McHugh noted that all of the existing main street funds are committed, although one of the projects has stalled and little progress is being made at this time. The stalled project is at 106 North Mechanic Street and includes aesthetic improvements that could be done in the future if we are successful in securing additional Main Street funds. The entorca building is an urgent matter and involves the future viability of the complex. Mr. McHugh thought that this would free up between \$60,000 and \$80,000. He has no idea what the cost will be at this point, although the owners are getting estimates and promised to have them to us before the full board meeting on the 14th. The committee agreed with the assessment and authorized Mr. McHugh to continue to work with the new owners in anticipation of modifying the priority list and including this project.

Status of Existing projects: Mr. McHugh reported that one project has a contract and is under construction, one project is out to bid and a third project is going to bid shortly. These three projects represent roughly \$205,000 of the available funds. The Chang, Crump project is still in design and could require \$100,000 plus. This would leave roughly \$65,000 for the entorca building.

NEXT MEETING – To be determined

There being no further business the meeting adjourned at 5:00 p.m.