

**CITY OF MEMPHIS AND SHELBY COUNTY COMMUNITY REDEVELOPMENT
AGENCY BOARD MEETING**



Board of the City of Memphis and Shelby County Redevelopment Agency

Meeting held at CRA Offices / 850 N. Manassas - Gould Cottage / Memphis, TN 38107

Thursday, September 9, 2021

8:30 a.m.

Board Present: McKinley Martin Jr. – Chairman
Miles Mason – Vice Chairman
Sam Cantor – Treasurer
Ann Langston – Secretary
Kevin Spragling
Kandace Stewart
Britney Thornton (via. phone)

Absent:

Also Present: Andrew Murray – Director of Planning and Community Development, CRA
Cynthia Durham – Administrative Office Mgr./Community Builder, CRA
V. Lynn Evans – Liaison to the Auditors (briefly via phone)

Visitors: Reginald Milton (SNDD)
Scott Blake (Victorian Village CDC)
Christian Kirk
Senchel Matthews (SRDC/JW Gibson Group)
Andy Kitsinger (SNDD Consultant)
Jacob Steimer (MLK50)
J.W. Gibson (SRDC)

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, September 9, 2021 at CRA. All Board Members were present.

I. CALL TO ORDER

Chairman Martin officially called the meeting to order at 8:36 a.m. and a quorum was present.

II. Approval of MINUTES – August 5, 2021 (Board Action)

Chairman Martin called for approval of Board minutes from August 5, 2021. Board Member Sam Cantor made a motion and Board Member Ann Langston provided a second. The August Board meeting minutes were approved unanimously by the Board.

III. PUBLIC COMMENTS

Mr. Scott Blake/Executive Director of Victorian Village Community Development Corporation provided comments concerning various projects in South Memphis which Victorian Village Community Development Corporation supported. Mr. Blake stated because of these projects and its strong partnership with CRA, DMC and MMDC in terms of incentive programs, at this point Victorian Community Development Corporation felt it should not be included in part of the new South Memphis TIF. Further, Victorian Village would like to create a TIF that joins not only Victorian Village but The Edge and Peabody Vance Neighborhoods and creates a crescent shape that wraps the Medical District of all the residential neighborhoods.

As a stakeholder in the Victorian Village community, J.W. Gibson stated that he welcomes all the activities that Mr. Blake described. He also pointed out that there is more work to be done and that letters of support from other stakeholders and others in the Victorian Village Community have been submitted in support of the new TIF. Because of the projects that are being proposed under this new TIF, they want to be a part of this. Mr. Gibson stated that true positive benefits can be derived from this destination. He said that stakeholders in the community think that this TIF is positive and progressive, and they would like to see it happen.

IV. STAFF UPDATES

Chairman Martin began by asking staff member Andrew Murray if there were any updates. Andrew reported that President Willis was on vacation this week and that he had no updates that had not already been covered in the last update report. He said that "CRA currently has so many projects going on". Andrew offered to answer Board questions about specific projects. Chairman Martin asked why the financial materials were so late in being emailed to the Board? Andrew answered that he did not know about the financials.

Chairman Martin phoned Lynn Evans/CRA Liaison to the Auditors and asked her for a financial update. He asked Lynn why there is a delay in receiving the monthly financial documents. Lynn said that the reason that the Board has not received the financial statements for the past several months is because CRA has not yet received all of the information needed in order for her to provide complete reports. Board Member Ann Langston asked what information is needed and whether or not CRA needs to hire additional help to get it done. Lynn replied no, that primarily President Willis is awaiting detailed information on accounts receivable from the City and the County. She also said that there are some critical internal documents needed that have to be transmitted to her office in order for her to have access to be able to generate 'detailed' statements.

Board Member Miles Mason suggested possibly having two sets of books, one current for internal transactions like expenses and checks that are written, and one for bigger picture items. He said that this may be helpful for internal control purposes. Chairman Martin asked for the

consensus of the Board. He asked is it better to have incomplete documents or to wait for the completed reports? Board Member Mason said that the Board should ask themselves should a particular report be prepared that just reflects internal transactions, i.e. an expense sheet. He also suggested that the Board first decide 1) is this something that the Board wants? 2) If yes, what is a realistic deadline for this report? As long as the report is systemic and reviewed by the Board, the Board should be considered good stewards for the money. 3) Also, will CRA be adding cost, because with more internal control comes greater cost.

Board Member Sam Cantor explained CRA's invoice and check distribution procedure. He pointed out that the Board receives a monthly accounts payable list sorted by vendor as well as a second list that is sorted from largest to smallest check amount. Sam said that this still falls short of receiving monthly financial statements.

Board Member Cantor said that in reference to protection against possible fraud, he suspects that CRA has 90% of the controls in place. Board Member Mason said that he could give fifty different ways that a person can circumvent a review (e.g., fake vendors, forged signatures, etc.). He also recommended that someone, who is not a check signer, be responsible for spot checks and occasionally looking at bank statements and comparing them to cancelled checks, reconciliation. He also suggested creating a system for tracking large checks.

Sam questioned if some of the Board's concerns are because CRA depends on an outside CPA firm. He wonders if CRA had their own in-house CFO would some of these concerns disappear due to having more control. Mason agreed yes, but stated that CRA would have to adjust the internal control procedures. He suggested possibly getting advice on this topic from the CPA firm. Chairman Martin suggested meeting with President Willis and Lynn Evans/CRA Liaison to the Auditors and discussing their current controls. Mason thinks that the person best suited for making recommendations on internal controls would be the auditors who can coach the Board Chairman on the information flow because that is what they do for a living.

Staff Member Andrew Murray spoke on the 'bigger picture items', the receivables from the City and the County. He said that CRA does not have accounts receivable, CRA take whatever monies are given from the City and County -- which is calculated for CRA. There are multiple steps associated with how CRA receives the money, which is part of the issue with the financial statements.

Board Member Ann Langston stated that it would be very helpful if the Board at least received a cashflow statement in order to have some sense of where the organization stands.

Chairman Martin recanted that he would follow up by talking to President Willis and CRA Liaison to the Auditors, Lynn Evans about current controls and reports.

Legal Issues: Attorney Monice Hagler reported that 35 City lots have been transferred in the Uptown TIF and CRA is awaiting the recorded deeds to come back.

Monice Hagler and staff Member Andrew Murray gave an update on the PFM report on the Highland Row TIF revenues. He reported that there is over \$300,000 in back taxes that the current owners owe on the parking lot that they lease from CRA and that the Accessors Office has deemed as taxable. Andrew pointed out that on the books CRA is simply the caretaker of this TIF and that everything is passed on to the bond holder who are different than the property owners. Andrew reported that the owner refuses to pay the taxes and are appealing them as well as their 2019, 2020 and 2021 taxes on the parking garage. They are also appealing their

2021 taxes on the whole project. Andrew reported that the bond payment is in default because the primary property owner will not pay their taxes as requested by the Assessor's Office.

V. UNFINISHED BUSINESS

There was no unfinished business.

VI. NEW BUSINESS AND OTHER ANNOUNCEMENTS

Mr. Blake thanked CRA for the Morris Park Project funding. He stated that none of this could have been accomplished without CRA. Mason recognized Andrew for the part he plays in all of the projects that CRA funds. Suggestions for the video taping of the groundbreaking event was discussed.

The next CRA Board meeting will be held in person at CRA on Thursday, October 7, 2021 at 8:30 a.m.

VII. ADJOURNMENT

Chairman Martin officially adjourned the meeting at 9:17 a.m.

Respectfully submitted,



Ann W. Langston, Secretary