

MINUTES

Phoenix Development Authority July 8, 2003

PRESENT: Bob Titus Desmond Knudson Jerry Decker
 Lynn Jenison Fritz Glover Bill Meyer
 Charlotte Tullos John Winbauer

ABSENT: Doug Ryder

STAFF PRESENT: Debbie Strand Sherry Luke

GUESTS PRESENT: Emily & Tom Cady (5:30 p.m. to about 6:10 p.m.)

I Establish Quorum

The Phoenix Development Authority met in the Phoenix Conference Room in Ellensburg on Tuesday, July 8th, 2003. Chair Bob Titus confirmed that a quorum was present and called the meeting to order at 5:35 p.m.

II MicroLoan Request from Emily and Tom Cady for purchase of Fairlane Café and Espresso

Emily and Tom are requesting a \$15,000 loan to purchase the café and all contents, including kitchen equipment and antique decorations. Emily gave most of the presentation and with board questions, included the following: locale, purchase price, operating hours, staffing, a possible building lease, menu, target clients, food costs, information about her current business, and Tom's occupation and work hours.

Following their departure, the board discussed the loan request. The Loan Committee Chair Jerry Decker reported that the loan committee recommended denying the loan based on personal credit, staffing, a change in Tom's work hours, and collateral. Strand reviewed the collateral, including photo equipment, café equipment and decorations, and \$10,000 equity in their home for a total of \$70,000. The MicroLoan fund has an approximate balance of \$70,000 to \$80,000, which can only be granted to applicants who have been refused by a bank. Other discussion involved business size, Emily's start-up experience, other financial support, lack of a liquor license, risk to Phoenix, enthusiasm and hard work, gutting the café, previous owners, interest rate, and monthly and the end balloon payments, and other microloans.

Titus asked for a motion. Desi Knudson moved to approve the \$15,000 microloan to Emily and Tom Cady, which was seconded by Lynn Jenison. The motion passed with 7 in favor and 1 opposed.

Titus asked for a vote to accept the Cady's request of a \$200 monthly payment over a 3-year period at 8% interest per year, with the balance due in a balloon payment at the end of the loan. The request was approved.

III Minutes: March 18, 2003 Board Meeting and May 30, 2003 Special Meeting

A motion to approve minutes was made by Charlotte Tullos, and seconded by Des Knudson with correction of adding Tullos's name to both (which has been done). The motion passed unanimously.

IV Financials

A. Approval of Checks: May and June 2003

Treasurer Jerry Decker reviewed the financial reports for May and June 2003.

May-June General Operations. Decker noted normal receipts and disbursements in May with a large expenditure for board insurance. He asked for a motion to approve checks 6779 through 6809 in the amount of \$10,611.99. John Winbauer made the motion; it was seconded by Lynn Jenison, and passed unanimously. A difference between the ending May balance and the beginning June balance was noted (and later determined to be \$13.01 tax not added to check 6778 to Intuit, and now corrected). June expenditures to Bivens & Wilson and Sand City (off-set by a donation receipt) were noted. Bill Meyer moved to approve checks numbered 6810 through 6836 totaling \$11,099.19; Lynn Jenison seconded, and the motion passed unanimously.

In the Profit & Loss Reports, the same income \$52.43 was noted for both May and June for Horse Park Grant (now corrected). Otherwise, all income and expense items were typical with actual Net Incomes exceeding the budgeted amounts.

The Balance Sheet at June 30th balance of \$208,377.66 includes a strong cash position,

accounts receivables, and MicroLoan notes receivable.

May-June Airport. Finding nothing unusual, Decker moved to approve checks 1226 through 1229 in the amount of \$2,578.17, which was seconded by Glover, and passed unanimously. Similarly, Decker moved to approve June checks 1230 through 1232 in the amount of \$1,602.24, which was seconded by Lynn Jenison, and unanimously passed. In the May Profit & Loss Report, actual income was less than budgeted due to rent of Bay 3, and actual expenses were over budget due to the Volcano Graphic bad debt. Balance Sheets indicated a good financial position.

Formats: Various formats for these reports are being tested for simplicity and clarity, such as the two Profit & Loss by Class Reports.

V. Chair's Report

A. Draft Agreement for Operations

Titus stated the Agreement for Operations still being reviewed.

B. Other

Titus also noted that wind energy projects will be on the next Phoenix Group Board agenda.

VI. Director's Report

Strand reported that Vida Grande owed back rent, but was planning an expansion (possibly a contract with the Everett Convention Center) and she is expecting another check soon. Purity Soapworks was sold, and all rents in arrears will be paid by the end of July.

VII New Business

Glover commented on the newspaper article about Ed Conner opening his sawmill.

VIII Other Business

None

IX Adjourn

Lynn Jenison made a motion to adjourn at 7:34 p.m., which was passed unanimously.

Respectfully Submitted,

Doug Ryder
Secretary