



**MINUTES – REGULAR BOARD MEETING
June 10, 2008**

Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority

**City of Ann Arbor, Guy C. Larcom, Jr. Municipal Building, 2nd Floor Council Workroom
100 N. Fifth Ave., Ann Arbor, MI**

Members Present: Michael Korybalski, Tom Kinnear, Michael Reid, Rob Risser, Richard King, Jonnie Bryant, Stephen Rapundalo, Roselyn Zator-Ex-officio

Members Excused: Mickey Katz-Pek, Darryl Daniels, Tom Crawford-Ex-officio

Others Present: Scott Olson-SPARK, Kurt Riegger-SPARK, Sandi Bird-City of Ann Arbor-Finance, Tina Reed-Ann Arbor News

CALL TO ORDER:

Korybalski called the meeting to order at 8:04am. A quorum was present.

APPROVAL OF THE AGENDA:

Rapundalo moved, seconded by Kinnear, to approve the Agenda for this meeting with amendments in the form presented and attached hereto and made a part hereof. Motion approved unanimously.

MOTIONS & RESOLUTIONS:

1. Minutes of the April 15, 2008 Regular Board Meeting:

Rapundalo moved, seconded by Kinnear, to approve the Minutes of the April 15, 2008 board meeting in the form presented at this meeting. Motion approved unanimously.

2. Minutes of the May 1, 2008 Special Board Meeting:

Risser moved, seconded by King, to approve the Minutes of the May 1, 2008 board meeting in the form presented at this meeting. Motion approved unanimously.

REPORTS FROM COMMITTEES:

1. Approval of the FY 2009 LDFA Budget:

King moved, seconded by Kinnear to approve the FY 2009 LDFA Budget in the form presented at this meeting and attached hereto and made a part thereof. Motion approved unanimously.

2. Update of FY 2009 LDFA Contract Committee:

Rapundalo moved, seconded by Risser for the LDFA Board to authorize the Contract Committee to negotiate and execute a FY 2009 Agreement between the LDFA and Ann Arbor SPARK on behalf of the board, and for the Contract Committee to circulate a redline copy of the proposed agreement to the board, indicating the changes made from the FY 2008 Agreement to the FY 2009 Agreement. Motion approved unanimously.

3. Update of FY 2009 LDFA Nominating Recommendation Committee:

King noted the board member applications for Theresa Carroll and Lisa Kurek were approved by the City of Ann Arbor Council. Katz-Pek and King are arranging an orientation meeting with the new members prior to the July meeting.

4. Update of LDFA Ad hoc Review Committee for Angel Network:

Discussion ensued regarding the update from the committee members.

OTHER BUSINESS:

1. Establishment of Audit Committee:

Reid moved, seconded by Rapundalo to expend an amount not to exceed \$20,000 for the purpose of conducting an outside audit of Ann Arbor SPARK FY 2008 Business Accelerator Services. Motion approved unanimously.

Reid moved, seconded by Kinnear to establish an Audit Committee charged with the responsibilities of the audit scope and deliverables and to recommend to the board the external firm to engage. Motion approved unanimously.

Korybalski appointed the following Audit Committee members:

- Reid - Chair
- Rapundalo
- Risser
- Bryant
- Crawford – Ex-officio

2. Second Reading – Amendment No. 2 to the LDFA By-laws:

Kinnear moved, seconded by Reid to approve Amendment No. 2 to the LDFA By-laws. Motion approved unanimously.

MOTION TO ADJOURN:

Kinnear moved, seconded by Reid, to adjourn the meeting at 9:34am. Motion approved unanimously.

Respectfully Submitted,

Sandi Bird, Recording Secretary for Tom Crawford

**FY 2009
Approved
Budget**

Revenue

Tax Revenue	\$ 950,492.00
Cantillon Revenue	\$ -
Investment Income	\$ -
Total Revenue	<u>\$ 950,492.00</u>

Expenditures

Business Accelerator Consulting (1)	
Collaboration Networking	\$ -
SPARK Business Accelerator Staffing	\$ 157,000.10
SPARK Accounting	\$ 43,000.00
Phase I - Screening	\$ -
Phase II - Due Diligence	\$ 44,000.00
Phase III - Intensive Service	\$ 334,000.00
Sub-Total	<u>\$ 578,000.10</u>

Business Networking

Hosted Events	\$ 19,200.00
Sponsorships/Partnered Events	\$ 24,000.00
Sub-Total	<u>\$ 43,200.00</u>

Entrepreneur Education

Entrepreneurs Boot Camp (2)	
Monthly Classes	\$ 20,700.00
Unrestricted Operating Grants	\$ 20,000.00
Tuition Funding Match	\$ 20,000.00
Sub-Total	<u>\$ 60,700.00</u>

Cantillon Web Based Education (4)

Maintenance	\$ -
Admin & Training	\$ 14,400.00
Support & Marketing	\$ 4,000.00
Development	\$ 36,000.00
Sub-Total	<u>\$ 54,400.00</u>

SPARK Central Incubator Operating Exp(3)

Rent revenues	\$ (47,400.00)
Lease Subsidy	\$ 79,332.00
Administrative Support	\$ 52,920.00
Utilities	\$ 12,800.00
Maintenance	\$ 8,000.00
ISP	\$ 12,768.00

Advertising & Promotion	\$ -
Insurance	\$ 2,000.00
Sub-Total	\$ 120,420.00

Marketing Campaign (5)

Public Relations	\$ 30,000.00
Collateral Printing	\$ 6,000.00
Website Expenses	\$ 14,400.00
Sub-Total	\$ 50,400.00

LDFA Administrative

LDFA Legal Services	\$ 10,000.00
LDFA Audit & Accounting	\$ 10,000.00
LDFA Administrative	\$ 7,500.00
Sub-Total	\$ 27,500.00

Total Operating Expenditures \$ 934,620.10

Capital Expenditures

SARK Central Incubator Renovations	\$ -
SARK Central Incubator Shared Equipment	\$ -
Sub-Total	\$ -

Reserves

Unallocated Operating Reserve	\$ 15,871.90
Unallocated Prior Year Fund Balance	\$ 168,315.77
Sub-Total	\$ 184,187.67
Total Expenditures	\$ 1,118,807.77

AMENDMENT NO. 2
TO
BY-LAWS OF ANN ARBOR-YPSILANTI SMART ZONE LOCAL DEVELOPMENT
FINANCE AUTHORITY

The By-Laws of the Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority effective January 21, 2003 (the "By-Laws") are hereby amended as follows:

1. Section 3 of Article IV – Members and Terms is amended to read as follows:

Section 3. Reappointment of Members: Except for initial appointments to the Board, no member shall serve more than one complete (4 year) term. Members shall serve until the appointment of their successor. The Board shall notify the appropriate unit of government at least 60 days prior to the expiration of the member's term.

Except as amended hereby, the By-Laws remain in full force and effect.

Approved LDFA Board: _____
Date

Filed with City of Ann Arbor: _____
Date

Filed with City of Ypsilanti: _____
Date

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Deleted: , except that no member may serve more than 90 days past the expiration of his or her term

Except as amended hereby, the By-Laws remain in full force and effect.

Approved LDFA Board: _____
Date

Filed with City of Ann Arbor: _____
Date

Filed with City of Ypsilanti: _____
Date