

## Financial Services Cluster Meeting August 3, 2007 - 8:00 – 9:45 AM Kerkering, Barberio

Introductions were made, after which Rich Powers provided an overview of the agenda.

Hugh Middlebrooks explained IRB conduit bonds and their benefits. The key points are:

- Provides an opportunity for non-governmental entities to access the tax-exempt market.
- The major benefit is the interest rate is two-thirds of the market rate.
- Only certain types of projects qualify, i.e. manufacturing facilities, parking facilities, healthcare facilities, industrial development facilities, etc.
- There are numerous IRS regulations. The IRS must deem the business credit worthy for the purpose of the loan.
- VRDN (variable rate demand note) allows you to sell the bond back with a week's notice. There is a threshold of approximately \$2,500,000.
- There are fees associated with this type of loan program. The fee is approximately 25 basis points as they are normally exempt from intangible and doc stamps (a savings of approximately 30 points).
- Beth Ebersole inquired whether these are AMT type bonds. Hugh confirmed that they are; however, there are different federal income tax effects depending on the classification of business, i.e. non-profit, 501(c), etc.
- One drawback to this type of loan is that it does take longer than a conventional loan, approximately an additional 60 days.
- Rich asked about pre-payment penalties. Hugh explained that there are none; however, these are not intended to be short term as the original intent of the loan must be qualified.

Hayden Lipp introduced Dr. Kathleen Cornett of the Argosy University. Argosy began as the University of Sarasota and is now a part of a larger education group, which has over 90,000 students and 64 locations. They offer courses on campus along with blended classes on the internet and students meet part time in a classroom. Argosy offers degree programs from the Baccalaureate to Doctorate level and certificate programs in the business, education, and psychology fields. Hayden asked if Dr. Cornett could look into a blended CFP program through Argosy. Ned Richardson mentioned an organization that provides a program Education for Financial Services companies. They develop skilled employees so they may attract large financial organizations, such as Bank

of New York, into our area to develop economic growth. Ned suggested aligning with this Tampa based organization.

Norma Martin introduced Ken Sons and Scott Heaps of Gravity Free. Various technical terms were explained as follows:

- Podcast - A mechanism to capture video that can be used for training and viewed through the Internet at a time convenient to the viewer. A power point presentation can be added to the podcast. Posed questions can also be included.
- Webcast - A live training viewable at a specific time, i.e WebEx, which allows viewers to ask questions.
- Blog - Allows you to address a topic of interest that anyone using the Internet can access. These readers can transmit questions/comments to the author.
- Wikki – Similar to an encyclopedia excerpt; however, the writer may not be qualified to submit the information provided.

There is a cost associated with the first two products and the cost is determined upon your usage. Norma mentioned that consideration would have to be given to who will pay the cost. This would be tied into the EDC website wherein there would be a link for access. It is also possible to track who is accessing this site. Scott suggested adding a survey at the end of the podcast to see how effective it is. Beth inquired whether a link could be added to an e-mail to take you directly to the podcast. Scott explained that once you become a subscriber, links are sent to you automatically on your desktop as a new podcast becomes available.

Diane Andrews suggested we begin with a blog and this would be accessed through the EDC website under the financial services cluster. Ned stated we need to first determine what information people will want to read about and then decide in what format it will be disseminated (i.e. blog, wikki, podcast, etc.). Jeff Frazier suggested a survey be created prior to putting a lot of time into any of these options. Mike Hamilton mentioned that in addition to a list of suggested topics an “other” option should be provided. To that end, Diane suggested a sub-group be formed in order to bring suggestions to the group at large to discuss a survey, delivery methods, topics for discussion, etc. Jeff Frazier, Beth Ebersole, Rich Powers, Norma Martin, and Ron Reuss volunteered to be members of this sub group.

As far as financial information, Diane mentioned \$5,000 was earmarked for this committee to be used by September 30, 2007, which will probably not occur. Another \$5,000 has been requested for the 2007/2008 fiscal year, which will need to be used by September 30, 2008 pending EDC Board approval on August 16, 2007.

The next meeting date and time will be decided on after the sub-group meets.