

The MEDIA Task Force Committee meeting was called to order at 6:00 P.M. by the Chairman, Greg Watson. The meeting was held in Model Cities Conference Room #226 at 5329 N.E. Union Avenue.

Those present at the meeting were:

Greg Watson, Chairman	Hasten Payne
Herb Simpson	James Griffin
Ella Mae Gay	Milton Hatcher

CDA - Neva VerHeer

Chairman stated that some concrete decisions would have to be made by the committee at this meeting as the report to the CPB is due next Tuesday, June 6. Mr. Griffin, former Director of MEDIA, has delayed his trip back East to be with us at this meeting. He understands we are taking a look at MEDIA and the reason he was released.

GREG WATSON:

Informed Mr. Griffin that we are not attempting to reinstate you with MEDIA corporation. You state this is something you do not want. We will have some questions for you and I am asking the Committee to be as open with you as you are with us. Can you tell us how you were selected as Director of MEDIA?

JIM GRIFFIN:

Stated he was contacted in Philadelphia by a Washington consulting firm, Checky & Co. As a result of this contact he was invited for an interview before the existing MEDIA board, and subsequently hired as Director.

GREG WATSON:

Asked if they had outlined his duties and responsibilities.

JIM GRIFFIN:

Stated the program was written up and outlined according to the proposal that was submitted to Model Cities for funding. It outlined the functions and duties of staff, number of staff, salary ranges, and all administrative details.

GREG WATSON:

Asked if he began to hire staff.

JIM GRIFFIN:

Stated four people had already been hired, and he hired the rest of the staff over a period of four months.

GREG WATSON:

Asked if Mr. Griffin felt that staff personnel had any influence on his selection.

JIM GRIFFIN:

Stated Frank Cox may have had some influence. He designed the program for MEDIA. He submitted the proposals and he remained on in the role of the Economist.

GREG WATSON:

Asked if Mr. Cox wrote MEDIA program when he was part of the Model Cities staff.

- JIM GRIFFIN: Stated he had transferred from Model Cities staff over to MEDIA.
- HERB SIMPSON: Asked Mr. Griffin if he got along with Frank.
- JIM GRIFFIN: Stated no, it is difficult to get along with someone when you are going to change their program. There was no need for an Economist and I eliminated the position. That position was written out of the program in about March.
- GREG WATSON: Asked Mr. Griffin how long he was employed by MEDIA.
- JIM GRIFFIN: Stated from June 1 to March 14.
- GREG WATSON: Stated that when this Committee met with MEDIA board they informed us that they had confronted you with the reasons why they felt it best to release you.
- JIM GRIFFIN: Stated the Board did not confront him with anything. The Board meeting where we were supposed to discuss MEDIA problems was cancelled. John Bell, Frank Cox and Joe Breed sent a recommendation for my removal and a proposal to the Board for restructure. One staff member wanted an RDP program. The other proposal was for an industrial development program. I turned both of the programs down when they were discussed with me. That happened about two months prior to them requesting my dismissal. The proposal they sent to the Board of Directors contained a cover letter recommending my removal.
- GREG WATSON: Asked if he had let Jack Mills know that he disagreed with them.
- JIM GRIFFIN: Stated these three people who recommended my dismissal had never confronted me as a group. There had never been an effort made by the staff to sit down and work this out. It was done while I was out of town over the holidays.
- GREG WATSON: Referred back to the sub-committee's meeting with MEDIA Board of May 15, when he asked the Board if Mr. Griffin was confronted with these complaints prior to his dismissal. Jack Mills had stated that a 30-day period had been set up prior to his dismissal to confront him with all complaints. Is that a factual statement?
- JIM GRIFFIN: Stated he was to bring before the Board in February an outline of the action he was going to take to solve the problems. The meeting was never held. Everything was prepared to submit to the Board at that meeting. None of the Board members attended. I was advised to hold off until the next meeting.

JIM GRIFFIN:

On March 8 a lady, Janet Sweet, called me and said there is something going on I should know. She wanted to let me know of a meeting that was held at her house on a Saturday with John Bell in attendance. She said they kept referring to me in derogatory terms. They were drawing up a proposal to dispose of some valuable equipment belonging to A & P who were going bankrupt.

I gave the staff instructions to go to the truckers first as they should have the first option on that equipment. I advised the staff to prepare proposals for people who would be interested in buying. Two groups were interested. I came up and discussed this with Jack and assured him that if anything was done, these groups would get a fair shake. I instructed John Bell and Joe Breed to prepare proposals for bonding companies and they refused. They said they were biased. John Bell indicated to me that he was interested in buying some of the equipment. I told him if he wanted to submit a proposal he would have to quit first. That weekend the proposal was prepared and Free Freights proposal was also prepared.

Janet Sweet came to me and let me know that this had been going on for quite a while. She told me about \$400 that was missing. None of this could I confirm. She did describe our MEDIA receipt book. I felt that the situation was grave. I took this lady down to Bell and he was the only person to hear her accuse him and he denied everything.

GREG WATSON:

Asked where was Hatcher at this time?

JIM GRIFFIN:

Stated he was sure that Hatcher was unaware of the proposal.

GREG WATSON:

Asked if there were commitments before Mr. Griffin started.

JIM GRIFFIN:

Stated there were no official commitments.

JIM GRIFFIN:

The Management Consultants were snowed with a lot of work. I recognized this very early. We designed the structure to funnel things through the top. We had the structure complete and on the drawing board. I was going to present it to the staff at the next staff meeting. The staff met with the board members on Wednesday. They were aware I had been preparing this and they were trying to get their proposal in before this. After I submitted the proposal I went before each person and told them who had proposed my removal.

JIM GRIFFIN:

State he told them if they don't agree with the structure he would have to ask for their resignation. If you agree I will have to ask for a letter saying you will work with it. I got a letter from two people - Bell and Breed. Cox refused to give me a letter. At the meeting I told them I was dismissing Frank. They said to try and work it out and not dismiss him.

HERB SIMPSON:

Asked - did you have trouble getting along with Cox?

JIM GRIFFIN:

Stated the first few months he did. Cox said you will have to depend on me for political contacts as I know Model Cities personnel and key people in the banks, etc.

GREG WATSON:

Asked Mr. Griffin if he would share his opinion relative to the MEDIA Board makeup.

JIM GRIFFIN:

Stated the MEDIA Board is a very poor structure. They have some poor representatives on the board. The Mayor selects three representatives, the CPB selects three, and those six select the other three. There is only one member who is an Albino representative, and he is a poor businessman. The rest of the Board feel that he represents the community. He does not speak for the black people. He speaks for himself. I think some people on the Board are detrimental to the Board. George Christian is definitely detrimental to the Board and to the community. He has a business, but he has never used the MEDIA funds directly for his benefit. He has known some of the people who come to MEDIA and has personally vouched for them. He has affected the opinion of the other Board members.

GREG WATSON:

Asked about the other members of the Board.

JIM GRIFFIN:

Stated Jack Mills is definitely detrimental to the Board.

GREG WATSON:

Asked if his affiliation with the U.S. Bank has a direct relationship with proposals being submitted by Model Cities residents.

JIM GRIFFIN:

Stated if a proposal came in that was above X number of dollars he would hear about it. His recommendations would be go to MEDIA and take the responsibility off the bank. The bank would say they don't have a minority officer.

GREG WATSON:

Asked if one of the objectives of MEDIA is to take responsibility off the bank.

JIM GRIFFIN:

Stated no. The SBA has a minority program. We have had situations where minorities have gone to

the bank and the bank sends them to MEDIA. The SBA is doing the same thing. It is a drain on MEDIA and I made a serious mistake by not documenting these situations. The banks become aware that you are involved with people and MEDIA becomes a lending agency. Banks look at MEDIA as risk capital, and never as management counselling.

GREG WATSON:

Asked if Mr. Griffin had any recommendations on financial assistance and management counselling.

JIM GRIFFIN:

Stated the seed money from MEDIA should be taken away. If you have seed money you offer a crutch. In only a very few cases can MEDIA finance a company as it should be. I was proposing moving MEDIA from an organization that developed a finance business to one that encouraged ownership by minorities. Management would become less a problem. I think there should be a business development setup where X number of dollars should be provided for staff to develop businesses.

GREG WATSON:

Mentioned policies and procedures used for Mr. Griffin's release. Suppose another man comes aboard and somebody writes another letter. What procedure should be taken by the corporation to justify this kind of release?

JIM GRIFFIN:

Stated he thinks the CPB should have some input at any point in these programs where money is being allocated through Model Cities. MEDIA is here to serve the community. How are you going to serve that community unless you have some representatives there to regulate the services performed. It can't be done in a Board meeting every other Tuesday night.

JIM GRIFFIN:

Stated the director was supposed to have the authority to fire or hire. However, when he fired somebody, he was fired.

HERB SIMPSON:

Stated there are nine members on the Board. How was the attendance record at the meetings?

JIM GRIFFIN:

Stated the Board is run by three key people. The attendance record of most members was good.

ELLA MAE GAY:

Asked was there any time you were given the opportunity to air your complaints to the total Board?

JIM GRIFFIN:

Stated never. I aired it the day I was dismissed.

GREG WATSON:

Stated at the CPB you referred to the alternatives that were handed to you. You could go. Three staff members could go. All four of you could go.

JIM GRIFFIN:

Stated Jack Mills indicated to him that the Board said he had an administration problem. They said I was having problems controlling my staff. Also there was a problem with MEDIA's books.

GREG WATSON:

Asked who was the bookkeeper at that time.

JIM GRIFFIN:

Stated we had a woman who was part of our staff. Price Waterhouse had just audited us in November. I spent a couple of days going back through the books and I found all the mistakes. The morning of the 14th we had a loan review meeting. They asked me again if I wanted to resign and I said no. That afternoon they came in with the letter. I am not looking for another job here. The point is, economic development to me is business because it is trying to develop something we all need.

The Chairman thanked Mr. Griffin for his appearance at the meeting. Mr. Griffin was dismissed and Mr. Milton Hatcher admitted to the meeting.

GREG WATSON:

Stated we will be submitting a report to the CPB Tuesday evening and we are grateful for this opportunity of interviewing you alone to get your feelings of the MEDIA Board and its makeup, as far as the people on the Board, their background, and if you feel they can be effective.

MILT HATCHER:

Stated he agreed with the original concept the Board was set up with. Three key banking people can assert some type of leverage when it comes to using funds. Stated he also agreed with having three successful businessmen and three community members. Stated the bankers have taken too strong a banking attitude in some instances.

GREG WATSON:

Asked Mr. Hatcher if he thought the individuals on the Board are the caliber of people who can relate to a flexible program.

MILT HATCHER:

Stated no, but he does feel a counter balance is needed.

GREG WATSON:

Asked if he felt the Model City seed money is risk money.

MILT HATCHER:

Stated he didn't think they viewed it as risk money. They view it as tax money.

GREG WATSON:

Asked if he felt it would be simple to make some amendments as to the composition of the Board.

MILT HATCHER:

Stated that would have to be done in a change of the corporate laws.

- GREG WATSON: Asked if he were to bring in an application to U.S. Bank and it exceeded what they would normally give to a minority, what would happen to his application.
- MILT HATCHER: Stated in the past they would have rejected it or sent it down to us. They would reject it without our knowing about it.
- GREG WATSON: Asked doesn't that rejection release the bank from responsibility?
- MILT HATCHER: Stated if we participate in it we do at least get something out of it. If an individual goes to the bank or SBA and applies for a \$10,000 or \$15,000 loan and they have nothing, then the bank and SBA cannot help him. That is where MEDIA comes in to provide that equity position.
- HERB SIMPSON: Asked how many times do you think that happens? How many people benefit?
- MILT HATCHER: Stated look at the Quarterly Report. I really don't know.
- GREG WATSON: Stated in light of what happened to Jim Griffin, do you feel threatened in any way by the procedures used on Jim?
- MILT HATCHER: Stated no. For one reason I am only an acting director.
- GREG WATSON: Asked if he thinks he will obtain his directorship.
- MILT HATCHER: Stated he believes they will offer it to him.
- GREG WATSON: Asked if he will take it.
- MILT HATCHER: Stated he didn't know at this time.
- GREG WATSON: Asked would you make any recommendations for changes in the structure of the corporation, the policy, or the Board?
- MILT HATCHER: Stated his concern would be having a member of the CPB on the MEDIA Board.
- ELLA MAE GAY: Asked, are you in favor of a member of the CPB being on your Board?
- MILT HATCHER: Stated he would be in favor if there isn't a conflict of interests.
- HERB SIMPSON: Stated this is a tremendous problem we are going to have to face - the pressure to turn this thing in to a grants program is going to be great.

MILT HATCHER:

Stated we are currently working on an OIB proposal. Should it bear fruit it will give us some sums of money. We can convert our operating funds into seed funds. There is also a possibility of the insurance companies, etc.

GREG WATSON:

Asked, what is the basic trend for the staff turnover at this time?

MILT HATCHER:

Stated Cox, John Bell, Carlos Revere, Grace and Paula left.

ELLA MAE GAY:

Stated we still have no documentation that Jim was having problems. Do you have documentation on any of the people who left?

MILT HATCHER:

Stated no, except for Carlos whom he had dismissed.

GREG WATSON:

Asked, does the power lie with the decision of the Board or with the staff?

MILT HATCHER:

Stated the power lies with the Board, but in many cases with the recommendations of the staff. The Board studies our recommendations. The Loan Review Committee is made up of four people and that is where they decide.

HASTEN PAYNE:

Asked, how is the Loan Review Committee established?

MILT HATCHER:

Stated it was set up in the by-laws.

GREG WATSON:

Asked what recourse does a client have when his loan is turned down?

MILT HATCHER:

Stated if it is turned down on the staff level then he can contact the Board and request that they review him.

GREG WATSON:

Stated this committee had discussed MEDIA putting off clients and not recognizing their appointments. They felt that you were running a trucking dispatch office.

MILT HATCHER:

Stated in many instances they were slow. We did have a few attitude problems, but that is corrected now. I would rather be slow and fair than make a snap recommendation. Did the people who said they were kept waiting always have an appointment?

GREG WATSON:

Stated yes, in most cases.

GREG WATSON:

Asked Mr. Hatcher if he had anything further to say.

MILT HATCHER:

Stated no, I will be at the meeting Tuesday evening.

Meeting adjourned at 7:50 P.M.

The MEDIA Task Force Committee meeting was called to order at 5:40 P.M. by the Chairman, Greg Watson. The meeting was held in Room #201, Model Cities, 5329 N.E. Union Avenue.

Those present at the meeting were:

Greg Watson, Chairman	Ella Mae Gay
Charles Jordan, MC Director	Hasten Payne
Herb Simpson	Charles Ford
Neva VerMeer - CDA	

The Chairman spoke briefly concerning the Monitoring Audit Report prepared by Model Cities staff. He stated that this committee would not submit their recommendations until we have the official audit being made by the City, which will include all agencies funded by Model Cities. It is not known at this time if the official audit will reflect the same conditions as the Monitoring report.

GREG WATSON: Stated that Mr. Jordan had informed him that the official audit would not be available until early June, and in light of this he had requested Mr. Jordan be present at this meeting to get his opinion of the Monitoring report.

MR. JORDAN: Stated he had read the Monitoring Report and it was the most intensive monitoring done by his staff. These problems are all administrative difficulties. Ninety per cent of the difficulties have been rectified, and the other ten per cent are in the process of being taken care of. Mr. Boeing, who knows our procedures, is now the bookkeeper and has made the necessary corrections. Prior to Mr. Boeing, MEDIA did not have a bookkeeper.

GREG WATSON: Stated MEDIA said they had a girl doing the book-keeping. Was she on the staff?

MR. JORDAN: Stated she was on the staff but she was primarily keeping records. She was not a bookkeeper.

HERB SIMPSON: Stated the Monitoring report was shocking and it sounded as though someone was doing a great deal of fumbling.

MR. JORDAN: Stated that in other operating agencies you will find these same kind of difficulties. MEDIA is a new agency and they had no experience.

GREG WATSON: Stated the same staff keeping these records is also the same staff serving personnel.

MR. JORDAN: Stated that some of these difficulties will be found in each of the 27 agencies.

CHARLES FORD: Asked if conditions in other agencies are that severe.

MR. JORDAN: Stated it depended upon the agency. It is our job to correct these difficulties.

- CHARLES FORD: Stated we were asked to investigate MEDIA and at the meeting with the board, the board responded negatively. Are they aware of the seriousness?
- MR. JORDAN: Stated that they are aware that we have enough material right here to hold up funds. We can take just one of these findings and hold up all their money. Now they do have a bookkeeper and the difficulties are being rectified.
- HERB SIMPSON: Stated there is a great deal of negative feeling about MEDIA in the community.
- MR. JORDAN: Stated that when looking at these things you have to look at them in proper perspective. Relatively this is a new agency. They are having administrative difficulties. After we get the report we will draft a letter to MEDIA giving them a certain length of time to make the necessary corrections.
- GREG WATSON: Asked the Director that in reference to this report, does he feel that this is a result of prior administration or does he think this is consistent.
- MR. JORDAN: Stated the condition started long ago under the direction of Mr. Griffin.
- HERB SIMPSON: Stated we have to take Mr. Jordan's statement that they are having administrative difficulties. Finding #17 on the Monitoring Audit Report is really serious. Is it just sloppy bookkeeping?
- MR. JORDAN: Stated that once the audit report is complete he will give it to this committee right away. We are looking for misappropriation of dollars. If there are dollars that can't be accounted for it will indeed be very serious. Our First Action Year was only about three or four months duration and we did not have audits for that year. When we got Model Cities started we were trying to get action started and some of the agencies overspent.
- GREG WATSON: Stated that Finding #8 shows a \$4,000 loss and that is something they will have to account for.
- MR. JORDAN: Stated that will have to be accounted for. The Auditor's report will bring all this to light. He does a very thorough job of these operating agencies.
- CHARLES FORD: Stated we had reasons to become concerned over the outcome of the meeting with Mr. Mills. The money had been stopped as far as Model Cities is concerned.

NR. JORDAN:

Stated it was made known to Mr. Mills that the CPB wanted a representative on the MEDIA board. Mills asked the legality of us withholding funds. I cleared with him that we could withhold funds. We agreed to submit three names on the CPB for them to consider as a member of the MEDIA board.

ELLA MAE GAY:

Asked if the MEDIA board just appoints any one they want to.

MR. JORDAN:

Stated that was not part of the original agreement. Last year we participated in selecting the Board of Directors. Some of the members have resigned since then.

ELLA MAE GAY:

Stated she could not see why CPB can't just appoint someone to MEDIA board whom they felt would do a very good job.

MR. JORDAN:

Stated that in the Third Action Year we will have more leverage. Once we start a contract we can't break the agreement. If we want to re-negotiate the contract we can do it in the Third Action Year.

GREG WATSON:

Stated that word has come to us that MEDIA is no longer making loans because Model Cities is withholding monies. It is my understanding that they have money available. A part of their contract is for technical and managerial assistance and I feel they can still operate. I would ask that you, as a Director, advise them that there are other things they can do.

MR. JORDAN:

Stated he would check that out with Mr. Hatcher and Mr. Mills. We cannot afford to allow the board of directors to destroy our concept. We are concerned about the program.

Discussion followed on the extreme importance of establishing liason with the CPB. Mr. Jordan observed that if the agency had been existing for a long time there would be less difficulties, and that it takes a long time to start paying back loans.

Mr. Watson stated we had several citizens waiting in the hall to be interviewed. Citizen #1 was admitted to the meeting. Mr. Jordan left to attend another meeting.

GREG WATSON:

Informed Citizen #1 that all information was confidential and his name would not be used. We ask that you share your relationship with MEDIA with us. We are trying to get an overall picture of the type of assistance you were or were not able to receive.

CITIZEN #1:

Stated he had become involved with MEDIA about two years ago. My business was suffering a few tax problems. I talked to MEDIA to try and get some money from them for tax purposes and operating capital. I asked them for \$3,800. I provided them with all information. They wouldn't tell me yes or no. It was a month and a half before I received any action. They sent me to the U. S. Bank. The Asst. Manager there informed me that MEDIA had not called them about me. I went back to MEDIA and they said they had forgotten to call. I did this five times. They were playing games with me. I was under real heavy tax pressure and was in desperate need of the money. Eventually they said okay and the bank gave me a statement and told me to take it to John Bell. He said they would sign it and for me to come back about 2 o'clock. I saw them about four days later. I went back, I called them, I left messages. The bank let me have enough money to pay the taxes for 1970 and the first quarter of '71. I asked Mr. Griffin if my application was getting to the Board. He said he couldn't see letting me or any of these other guys around having any money. Griffin said to me "I am sick and tired of you god damned niggers trying to get money for nothing from one of these programs". I told him that it was one of these programs that sent him here.

GREG WATSON:

Asked if he felt that his loan was getting to the board.

CITIZEN #1:

Stated he didn't think the loan ever arrived at the board.

GREG WATSON:

Asked the reason MEDIA gave him for turning down the loan. Did you receive an answer in writing as to why your loan was turned down?

CITIZEN #1:

Stated no. The main reason was because no one on MEDIA staff understood this kind of business.

Chairman dismissed Citizen #1 and admitted Citizen #2. Informed Citizen #2 that all information given this committee is confidential and that her name would be withheld.

GREG WATSON:

Asked that client share the experiences in relation to MEDIA with this committee. We would like to know the type of assistance you were or were not able to receive

CITIZEN #2:

Stated her employer, who operates a beauty shop, had submitted a proposal to MEDIA, and was informed that it had been approved. About two weeks ago MEDIA said they didn't have the money and couldn't help her.

GREG WATSON: Asked what kind of a figure were they talking about.

CITIZEN #2: Stated she thought in the neighborhood of \$9,000.

GREG WATSON: Stated we would like to know what particular person you were working with.

CITIZEN #2: Stated that in the beginning it was Mr. Bell. Mr. Brahm was the one who started it in motion. Mr. Hatcher has been working with it the last few months.

GREG WATSON: Asked if the statement was in writing or a verbal agreement.

CITIZEN #2: Stated verbal.

GREG WATSON: Asked if MEDIA said they would be receiving additional funds and would continue with the proposal.

CITIZEN #2: Stated she didn't know.

GREG WATSON: Asked if the owner of the business had put the proposal together.

CITIZEN #2: Stated she had. She contributed a lot of work for nothing. She went so far as to start purchasing the building. Now she is paying for one place and the other one is still waiting for the money from MEDIA. She can't move into the other until she gets the money to remodel.

GREG WATSON: Asked if they had ever set a date for her to come down and review this loan.

CITIZEN #2: Said they had but she didn't know what date they had set. She stated MEDIA had cancelled the loan.

HERB SIMPSON: Stated it is our understanding that MEDIA can get this client's funds from three different sources. It makes a difference to us if the money was coming from SBA, the bank, or our seed money.

CITIZEN #2: Stated she didn't know.

GREG WATSON: Asked if the client is a black lady.

CITIZEN #2: Stated she was.

GREG WATSON: Asked how long she had been in business.

CITIZEN #2: Stated about 12 years.

Chairman dismissed Citizen #2, and admitted Citizens #3 and #4.

- GREG WATSON: Stated we are most interested in your relationship with MEDIA, and the cooperation and type of assistance you received.
- CITIZEN #3: Stated we became involved with them as a direct referral about August. We approached them concerning some assistance and they gave us a date on which we could come in and be interviewed. They gave us a sheet of paper telling us what they would have to have before they could consider our request for a loan. About four weeks after we submitted the required information they asked us to come in again and we were told at this time that the information was not sufficient to take before the board.
- GREG WATSON: Asked what criterion was needed?
- CITIZEN #3: Financial statement, stockholders equity, information on securities and investments, personal income, tax returns, etc. (Client read from a list).
- GREG WATSON: Stated - You gave them that information, and they said that information was insufficient?
- CITIZEN #3: Stated they wanted more information. They wanted to know if we had anyone who had committed themselves to buying our merchandise.
- GREG WATSON: Asked what personnel were you dealing with?
- CITIZEN #3: Stated Mr. Hatcher.
- GREG WATSON: Stated - You say this was in September. After September what happened?
- CITIZEN #3: Stated after three more weeks had passed he called them and asked them what they are going to do. They stated the people we were involved with weren't substantial for what we had in mind. They felt we were trying to help someone else in another city. I wrote a letter to them and told them we had cut these manufacturers off and when I next went back to them they finally said the plan wasn't feasible.
- GREG WATSON: Asked if client was told this verbally.
- CITIZEN #3: Stated yes, but week before last they sent me a letter. When I asked Mr. Hatcher how he went about determining the loan he attempted to give me the brush-off and a lot of double talk. I asked how did the board come to their decision. Mr. Hatcher said he had made the recommendation to the board.

- GREG WATSON: Stated their board has talked to us about their reviewing procedure. What was the request?
- CITIZEN #3: Stated the initial request was for \$35,000.
- GREG WATSON: Asked was it during the month of May that you finally received the letter turning you down?
- CITIZEN #3: Stated yes. After we went to the CPB, we again went back and tried to talk to them. Mr. Hatcher's attitude towards people who are attempting to borrow is very, very bad. The items he had shown me on his research of the loan were unquestionably out of reason. He was very uncooperative in his efforts.
- GREG WATSON: Asked - You are also speaking out of your professional background?
- CITIZEN #3: Stated yes.
- HERB SIMPSON: Asked when did Mr. Hatcher first become uncooperative?
- CITIZEN #3: Stated the first time we started talking to him. When we came in the second time he asked "What do you-all want?".
- GREG WATSON: Asked - Did you ever go before the MEDIA Board?
- CITIZEN #3: Stated he had asked to go before the board but they said it wasn't necessary.
- GREG WATSON: Stated the procedures should be set down in such a way that they would apply to all applicants.
- CITIZEN #3: Stated we asked who on the board or on your staff has any background in manufacturing and marketing? Mr. Hatcher said no one had. Later he told us they have people on the staff who are in the manufacturing business.
- GREG WATSON: Stated we would like to have your opinion of MEDIA.
- CITIZEN #3: Stated he feels it is a good package. There is a lot of help needed. It is a very valuable package for a community project, but feels there is a lot of work to be done.
- GREG WATSON: Stated one of the concepts of MEDIA is to stimulate employment. Asked client that if necessary would he go back to MEDIA.

- CITIZEN #3: Stated we wouldn't feel safe in going back. I don't feel we would get any cooperation.
- GREG WATSON: Asked if MEDIA had made any contacts for them at SBA.
- CITIZEN #3: Stated Mr. Hatcher said that if the loan had been feasible they would have to refer it to a bank or SBA.
- CHARLES FORD: Asked if he had relayed to Mr. Hatcher his expertise.
- CITIZEN #3: Stated that in the first place Mr. Hatcher wasn't interested in whether I was an expert or whether I had any knowledge of manufacturing at all. We feel that MEDIA is a good thing for the community. I don't think it should be destroyed. I think in order for it to get the results for which it was intended, they should change personnel. Jim Griffin came over to the place and asked us to accept his apology for Hatcher's treatment. He said he didn't have anything to do with it.
- GREG WATSON: Asked client if he clearly understands the reasons he was rejected.
- CITIZEN #3: Stated Mr. Hatcher didn't think this kind of business would work in the community. He said this kind of thing was too much involved, too complex. He stated if we wanted to get a barber shop, garbage truck, grocery store, or service station he would take another look. We have between 18 and 22 employees now and we are operating.
- Citizens #3 and #4 were dismissed, and three more citizens admitted to the meeting. Chairman informed citizens that all information was confidential and their names would not be used. We are trying to determine the type of assistance MEDIA is rendering to clientele. We are going to reflect some of our findings to the CPB.
- CITIZEN #5: Stated before they went to MEDIA they had formed a corporation.
- GREG WATSON: Asked if they took this package to MEDIA.
- CITIZEN #5: Stated they had in September, 1971.
- GREG WATSON: Asked if they made a decision on that application immediately.
- CITIZEN #5: When we submitted it they had an interview with us on that same day. Thereafter, for the next two

months they had us come in periodically and kept putting us off. Finally he told us he couldn't have anything to do with it.

GREG WATSON:

Asked who were they dealing with.

CITIZEN #5:

Stated Jim Griffin. We dealt also with John Bell, Hatcher and Herb Rain.

GREG WATSON:

Asked were you actually in business at this time?

CITIZEN #5:

Stated yes. He said that national statistics showed the business we had wasn't feasible. They kept putting us off and finally we all went in one day to find out what was the reason for all this delay. They couldn't tell us. Mr. Griffin said "I don't give a damn if you make it or fail. Now get out of my office". Anybody who is running a program for people in the community and doesn't give a damn, shouldn't be there.

GREG WATSON:

Asked if Mr. Griffin were not there, would you go back for assistance?

CITIZEN #6:

Stated no. The loan was approved by SBA. We were in business 8 months before going to MEDIA. We were going down there every day. They were running a trucking dispatch office out of there. We would sit for six hours waiting to see them, and for them to tell us we needed another piece of paper.

GREG WATSON:

Asked when they went to SBA, was this a referral from MEDIA.

CITIZEN #5:

Stated yes.

GREG WATSON:

Would you say that through your efforts with MEDIA you lost money in your business?

CITIZEN #5:

Stated very definitely. You just wouldn't believe it.

CHARLES FORD:

Asked what basically is your business?

CITIZEN #5:

Stated we are in wigs and fashions. We were dealing with clothing but we didn't have the funds. We have built our business up now to where it is of pretty good size.

GREG WATSON:

Asked in reference to your try with your corporation, did you receive written notice of rejection from MEDIA after two months?

CITIZEN #5:

Stated no, we just assumed it was dropped.

GREG WATSON:

Asked what is a ball park figure?

- CITIZEN #5: Stated we proposed \$10,000.
- GREG WATSON: Asked - Do you feel MEDIA board of directors reviewed your proposal?
- CITIZEN #5: Stated no.
- GREG WATSON: Asked what is his educational background.
- CITIZEN #5: Stated he has a B.S. degree in Economics and Accounting. Stated that he knew when we came in that he (John Bell) didn't even look at the file. It got to be a game between he and I.
- GREG WATSON: Asked if MEDIA stated to him that they had done a market survey in regards to wigs.
- CITIZEN #5: Stated no. He gave me national statistics.
- GREG WATSON: Stated the fact that clients did not receive a letter disturbs him. What kind of terminating procedure did they use?
- CITIZEN #5: They kicked us out. We have a product here that could help many people. We had financial needs and we submitted a proposal. We weren't making any money at that time. We were waiting to get some funds to keep going. The product is irrefutable. It has been in the stores and it is good. They asked us to put it in the stores and we didn't have the money to bottle and label it to see if it would sell. We wanted to do something for the community.
- GREG WATSON: Stated you are in business now on Union Avenue. Is that SBA or are you operating under a conventional loan?
- CITIZEN #5: Stated we are strictly with wigs and cosmetics. We have no assistance from anybody. We started from scratch. A loan now from SBA (which has been approved) will help us to make things go faster.
- GREG WATSON: Asked, as a result of your relationship with MEDIA, you would not be interested in going back?
- CITIZEN #5: Stated not unless they change personnel and get someone who will work with you.
- CHARLES FORD: Stated you certainly have the determination to try. Certainly MEDIA administrative area has criticisms. I wish you would reconsider going back to MEDIA. You have something on paper now and I think you should go back. I think there is going to be a different MEDIA.

CITIZEN #5:

Stated they treated us like we were dumb. They didn't treat us with respect or even like a man.

GREG WATSON:

Stated he thought the encouragement Mr. Ford had given is basically sound. Their funds are limited at the present time but I do anticipate that after July 1 they will have several recommendations that they will have to come in line with. If you do decide to go back the members of this committee would be very much concerned about how you are treated and their attitude about working with you.

Chairman thanked the three citizens and they were dismissed. Discussion followed on who to have present before the committee at the next meeting. Mr. Griffin and Mr. Scarborough were suggested.

Meeting adjourned at 8:00 P.M.

Neva VerMeer
Transaction Secretary

The MEDIA Task Force Committee meeting was called to order at 5:30 P.M. by the Chairman, Greg Watson. The meeting was held in the Model Cities Conference Room #226 at 5329 N.E. Union Avenue.

Those present at the meeting were:

Greg Watson, Chairman	Hasten Payne
Ella Mae Gay	Herb Simpson

CDA - Neva VerMeer

Copies of MEDIA, Inc. Monitoring Audit Report, by William J. Oberhue, Budget Analyst of Model Cities, and Elvin D. Roberts, Administrative Management Coordinator, were distributed, and discussion on the report followed. Chairman read the report findings.

FINDING #1:

The first day of the audit, no general ledger was at the MEDIA offices. We were told by MEDIA staff that if there is a general ledger, it was at home with the bookkeeper. On every day from April 14 to April 20, appointments were made to see the general ledger, and not until the fourth day of the audit, April 20th, was the general ledger produced.

FINDING #2:

When the general ledger was examined, it was found to be a combined ledger reflecting both operational and trust accounts. A trial balance was taken as of 2-29-72 and found to be out of balance.

FINDING #3:

Cash balances per general ledger does not agree with monthly reports, both operational and trust funds. The validity of the March Financial Report is questioned (as are others). MEDIA staff was asked on what basis March Report was generated. They stated reports are made by adding items from checkbook and assigning to line items on report. No attempt is apparently made to balance to the general ledger.

FINDING #4:

Subsidiary ledgers for outstanding loans do not agree with the general ledger. MEDIA has four classifications of loans. A lack of balancing to the general ledger raises questions as to the validity of the monthly trust reports.

FINDING #5:

The cash balance on the general ledger does not agree with December trust funds report or the total checkbook balance. The last postings in the general ledger is 2-29-72 in most cases. The last cash received postings are 12-31-71 for trust funds received of \$12,500. The validity of all reports received by the CDA is questioned as a result.

FINDING #6:

The general ledger has an accounts receivable which is chargeable to the operation account. It appears that clients are being charged for technical assistance. Staff of MEDIA's reply to this question is that an effort is made to recapture the technical assistance monies where possible (when an outside consultant is used) from the recipient.

FINDING #7:

The general ledger shows grant funds earned \$30,025.75 as an opening entry on July 1, 1971. The monthly reports submitted to the CDA show final First Action Year balance of \$33,703.12.

FINDING #8:

The general ledger shows furniture fixtures as \$11,932.63 as opening entry of July 1, 1971. The monthly reports submitted to CDA shows expenditures of \$15,018.

FINDING #9:

Certain firms seem to have a Revolving Loan Fund when, as needed, additional capital is given as the need arises. However, there is no control card to show the extent of MEDIA's participation - example:

A company originally borrows \$10,000. On subsequent dates, they borrowed \$5,000, \$6,000, \$5,000 and \$3,000. Each transaction was treated as a separate loan and assigned a loan account number. But short of reconciling each loan transaction, it is difficult to ascertain what type of loan and how much money has been lent to that particular client.

FINDING #10:

Some loans were made calling for monthly payments, but no payments have been posted to the subsidiary ledger, leading me to believe no payments have been made.

FINDING #11:

Two loans, loan #30 and loan #77, show as paid. Actually, records show both were renewed. No notation of interest collected at time of renewal, and no notation of planned interest payment.

FINDING #12:

An examination of the notes receivable file indicates that the borrower is not notified on a timely basis as to payments due, balance and interest due.

FINDING #13:

On loans in excess of \$5,000, prior approval of the Board of Directors Loan Committee is required as per the Trust Agreement. Loan files do not show documentation of this prior approval on some loans. Staff has stated that prior approval has been given by phone by the Loan Committee members.

FINDING #14:

MEDIA lists the loans in four categories as: (1) Participation Package, (2) LDC Package, (3) Short Term, (4) Unilateral Term Loans. There is no notation on the ledgers as to this classification, so no reconciliation from this ledger to the Monthly Trust Report is possible.

FINDING #15:

Payroll: There are no payroll cards or records signed by the employees in use at this time. The Bookkeeper computes all payroll on basis of monthly salaries, with pay days on the 15th and last day of each month.

FINDING #16:

Monthly deposits of withholding taxes have not been made on a timely basis. November 1971 withholding was not deposited until January 10, 1972, with the December funds. February's withholding dated March 13, 1972, but it appears to be paid later. March is not paid as of audit date.

FINDING #17:

Salary advance of \$300 on February 14 was given to an employee. This was posted directly to salary expense on general ledger. Funds properly held from employee on the next pay day (2/29). Employment records do not show an accurate starting date for this employee. February 29 pay (\$1055.64 gross) indicates payment from February 3. Employee stated verbally starting date as February 3. The W-4 form in file is dated 2-15-72. As W-4 form is only document in file, February 15 could be taken as the employment date, which would mean the employee was overpaid for approximately half a month. Payment of the advance was given on a regular payday, which brings up question of why a regular payroll check was not issued for the time worked from February 3 to February 14, assuming February 3 is the actual starting date.

HERB SIMPSON:

Displayed shock and dismay over the report and stated it was hard to believe.

GREG WATSON:

Stated the CPB now has a copy of this Monitoring Audit Report. An audit of MEDIA is now being made by the city and should be ready any day. We should have a meeting with Mr. Jordan and Mr. Roberts as soon as it is available.

We have an obligation to bring a report as to the procedure MEDIA board used to release Mr. Griffin. They stated poor administration concerning staff relations. Do we feel we should sit down and talk to Mr. Griffin? I do feel we need to go back and meet again with MEDIA board. Perhaps Mr. Jordan should tell us what he thinks of this report. The board wants our committee report to CPB in a closed session prior to June 6.

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GREG WATSON: Stated he did not know what the City audit was going to reflect. If it is different we can compare the two. Stated he would contact Mr. Jordan to determine when the City audit report will be completed.

HASTEN PAYNE: Stated that having Mr. Griffin present at a committee meeting may bring to light some conditions we are not aware of.

GREG WATSON: Stated that if the City audit will not be in until next week, we can meet with Mr. Griffin and some of the citizens who have been rejected by MEDIA. If the audit report is completed we will have another meeting Wednesday or Thursday night. If the City report is close to this one we will have to tell MEDIA we cannot make a positive recommendation.

ELLA MAE GAY: Stated that without MEDIA a lot of people in business would be without help.

GREG WATSON: Stated that those who are presently getting help would probably be delegated to some other agency.

Meeting adjourned at 6:45 P.M.

Neva VerMeer
Transaction Secretary

The MEDIA Task Force Committee meeting was called to order at 7:30 P.M. by the Chairman, Greg Watson. The meeting was held in the MEDIA building at 4128 N.E. Union Avenue.

Those present at the meeting were:

CPB - SUB-COMMITTEE

Greg Watson, Chairman
Ella Mae Gay
Charles Ford
Joe Nunn
Herb Simpson

MEDIA BOARD

Jack Mills, President
Milton Hatcher
George Christian
Dwight Heuger
Matt Spear

CDA - Neva VerMeer

The Chairman gave a brief background on the Committee and how it was formed to establish communication and liason between MEDIA and the CPB and to obtain information needed through these meetings with the clients, MEDIA, and Model Cities staff to bring in a recommendation for the Third Action Year.

GREG WATSON:

Stated the Committee is attempting to seek some very thorough information at this meeting. We are going to go back to the Board with the most definite information we can possibly get so the Board can act on our recommendation. The information received during this closed meeting will be released to the CPB. We would like to begin with some questions relative to the releasing of Mr. Griffin, former Director of MEDIA.

GEORGE CHRISTIAN:

Stated he really took exception to defending or even debating the removal of staff personnel. He stated that action need not be justified in dealing with staff people. Stated that their program and their contract is with the City of Portland and considers it wrong for Model Cities to talk about holding up funds. Stated he didn't think we should get involved with staff problems. Stated further he didn't think client information should be divulged to any group.

GREG WATSON:

Stated we are trying to get some clarification. This Committee is not here to reinstate Mr. Griffin. Neither is the Committee in the business of putting an operating agency out of business. We are trying to establish some communication with the agency. We are in a position where if this board refuses information the entire CPB will be quite concerned. We are trying to cooperate and get the most effective and productive information we can. We are basically responsible for determining the policy used to release Mr. Griffin and also to try and determine what the policy will be concerning future directors or employees.

- JACK MILLS: Stated that we do indeed need better communication. Stated that as far as he is concerned the Committee is welcome to any information with the exception of preferred information.
- CHARLES FORD: Stated he personally did not come to the meeting to dig for dirt. Stated he hoped we can meet on friendly terms and be very free and open about it.
- JACK MILLS: Agreed. Stated Jim Griffin was hired at \$20,000 per year. Stated they interviewed the top candidates and chose Griffin almost unanimously as the Board's No. 1 candidate. Stated that the head man has to be able to run a staff and that was the only place Mr. Griffin fell down. In all other areas he was one hundred per cent. The reason we let him go was because he could not work with his own people. He was not able to run a staff.
- DWIGHT HEUGEN: Stated he did not think Mr. Griffin did his job. If he had of been more capable the staff would probably have followed him. He had opportunities and there was no follow-through. Stated he had spent time with him but there was no follow-up.
- GEORGE CHRISTIAN: Stated that there should have been some business experience involved. Stated Mr. Hatcher can do a much better job than Mr. Griffin as he has the experience of Mr. Griffin's mistakes. Stated he is convinced that Milton Hatcher is his own man and is doing a tremendous job of taking over and running the show.
- JOE NUNN: Inquired if John Bell is still a member of the staff.
- GEORGE CHRISTIAN: Stated he had quit to go into business for himself.
- GREG WATSON: Asked how it was established by this Board that the problems were existing concerning Mr. Griffin.
- GEORGE CHRISTIAN: Stated information came from the staff and from the Board.
- GREG WATSON: Asked if Mr. Griffin was confronted with these complaints prior to his resignation.
- JACK MILLS: Stated that a 30-day period had been set up prior to his dismissal to confront him with all complaints.
- JOE NUNN: Asked if Mr. Griffin had followed his job description as outlined.
- JACK MILLS: Stated in management it is not measured that way. You do a job or you don't. It is not written in the job description.

- GEORGE CHRISTIAN: Inquired if there was any one of the group who really understands the economic problems of a development program. The problems are pretty tough.
- CHARLES FORD: Asked what qualifications are you seeking? Did you give the man the assistance he needed? Did he really have a fair shake? And if he did, where do we go from here?
- GEORGE CHRISTIAN: Stated the Committee would have to recognize the problems they had. Mr. Griffin had strong feelings about developing programs of great magnitude which would make some kind of an impact. We doubted his ability to administer the commitments that he knew he had. The decision was based on a lot of meetings. There were many meetings with Mr. Griffin. We tried to give him a leadway.
- GREG WATSON: Asked what was the total length of time Mr. Griffin was employed by MEDIA.
- JACK MILLS: Stated approximately eight months.
- GREG WATSON: Asked if the group felt this was sufficient time for him to set up his program.
- JACK MILLS: Stated it was a problem of his working with the staff. You are talking about a man who has 11 or 12 people to run and whether he can run them or not. His concepts of the program were fine. He couldn't run his staff of people and get the loans processed.
- GEORGE CHRISTIAN: Stated that MEDIA now has a man with some expertise. We have to be pretty functional and we have to have some good solid administrators in order to get a five-year result. The administrator should be given a chance and we think he was.
- HERB SIMPSON: Stated that some of the people who applied for loans and did have fairly good credit could have gone to the bank.
- JACK MILLS: Stated in most cases if someone can get a loan from the bank, MEDIA sends them to the bank. Our function is to bring a business that is not bankable up to a position where it is bankable.
- More discussion followed concerning clients' problems in getting loans through SBA, the feasibility of clients proposals, and MEDIA's efforts in following up with other help after a client has received a business loan.
- JOE NUNN: Asked Mr. Hatcher how many employees they have and what is the monthly payroll.

- MILTON HATCHER: Stated ten employees.
- GEORGE CHRISTIAN: Stated \$80,000 a year would be a pretty good guess.
- JOE NUNN: Asked if a bank would have this many employees for the same amount of business accomplished.
- JACK MILLS: Stated a bank would not pay that much money and would not offer that much service.
- GREG WATSON: Asked what is the procedure for a loan coming before MEDIA Board.
- JACK MILLS: Stated that a loan over \$5,000 goes to a loan review committee. The committee reviews it and if it looks good they bring it to the Board and the Board approves it.
- GREG WATSON: Asked if a proposed loan of \$5,000 is reviewed by the Board.
- JACK MILLS: Stated the staff can also turn it down before it gets to the loan review committee.
- GREG WATSON: Stated the Committee would like to have a copy of the guidelines.
- JACK MILLS: Stated credit is a judgment and a guideline is not needed to look at a loan.
- GEORGE CHRISTIAN: Stated that they have a copy of the procedure. We do have a guideline established by the Loan Review Committee. Asked if Model Cities gives the Planning Board a copy of the Monthly Report. There is a lot of information in the Monthly Report.
- JOE NUNN: Stated it doesn't give us the type of information that the Board has assigned us to get.
- Discussion followed on several clients of MEDIA who were dissatisfied with the results. Also discussion of several clients who were satisfied. Committee members expressed opinions that some of the clients could have obtained bank loans and could have been successful without MEDIA. It was stated by the corporation president that MEDIA is more flexible than a bank.
- GREG WATSON: Asked does the Board review contracts and proposals other than financial that come before the Board.
- JACK MILLS: Stated that they look at the whole loan package.

- GREG WATSON: Asked if there are contracts assigned for management assistance.
- MILTON HATCHER: Stated there is no contract. We just give advice where there is no financing.
- ELLA MAE GAY: Asked if at any time did MEDIA promise to give training and management.
- JACK MILLS: Answered yes, we had someone working every day.
- JOE NUNN: Inquired if that individual had the background to do it.
- MILTON HATCHER: Stated the individual was an MBA and has the expertise and the ability to do it.

More discussion followed on businesses which had been financed by MEDIA, and who later turned down managerial help, claiming a stranger was trying to run their business for them.
- GREG WATSON: Stated we are interested in knowing what this "buy-back" plan is.
- MILTON HATCHER: Stated that when a company reaches a point where it is so debt ridden, we want some assurance that we are going to get our money back. We will take an equity position and over a period of time when the money is made, they can buy it back.
- GREG WATSON: Asked if this was in the original concept of MEDIA procedures.
- MILTON HATCHER: Stated no, but we have to have some way of getting our money back.
- JOE NUNN: Asked Mr. Hatcher how he measures the competency of an individual whom he sends out on a job.
- MILTON HATCHER: Stated he looks at the job that is required and tries to match the job with the expertise on their staff.
- JOE NUNN: Asked if these persons had demonstrated their competence in dealing with businesses previously.
- ELLA MAE GAY: Asked if Mr. Hatcher had documented evidence to that effect.
- MILTON HATCHER: Stated that all you have to do is look at the client list we are handling.
- JACK MILLS: Stated since Mr. Hatcher took over, the staff has increased in production 100 per cent.

- GREG WATSON: Asked if he could document that information.
- JACK MILLS: Stated yes, if you look at the records.
- More discussion followed and chairman stated he had made a recommendation to the Chairman of the Board that one of the members of the Planning Board become a member of the MEDIA Board.
- JACK MILLS: Stated that their Board will have one vacancy in July.
- GEORGE CHRISTIAN: Stated he is against having a Planning Board member on their Board.
- CHARLES FORD: Asked why?
- GEORGE CHRISTIAN: Stated they had screwed up the Planning Board enough and he doesn't think they have a right to come over and screw this board up. He stated it would be a hindrance to the staff to have a Planning Board member on the staff.
- ELLA MAE GAY: Stated that none of the other agencies operating with Model Cities money feel that way.
- DWIGHT HEUGEN: Stated they would like recommendations on three people that they can consider.
- GREG WATSON: Stated he believes there is going to be a very strong recommendation for having a member of the Planning Board on the MEDIA Board.
- HERB SIMPSON: Suggested this program could be cut if there isn't enough impact in the community to warrant 1/8 of our funds.
- JACK MILLS: Stated that it takes a great deal of time for loans to make an impact. It takes some time for people to accomplish something with that money.
- GREG WATSON: Suggested a directive be placed upon MEDIA Corporation. \$50,000 was requested for loans. That seed money was going to benefit from three to five clients. We felt that those applications which MEDIA had already made commitments on certainly be followed through.
- JACK MILLS: Stated that seed money is loan money. Stated he didn't think that legally the Committee can stop the loan money. Stated that since we are all here for the same purpose, he wanted the Committee on their side.

HERB SIMPSON:

Stated that any time we feel that a program is not serving the community we can abolish it and put the money somewhere else. The seed money is the Board's money to be used to the best advantage.

JACK MILLS:

Stated it is in the hands of a trust which is separate.

MATT SPEAR:

Stated that if the CPB had the authority to stop the funds they will then have to determine the legality of it.

Discussion followed concerning scheduling another meeting between MEDIA Board and the Sub-Committee. MEDIA Board members expressed their reluctance to attend another meeting and stated they would like to give all required information needed by the Sub-Committee at this time.

Further discussion followed concerning one client whose loan was to be acted upon by MEDIA the following morning. It was agreed that a phone call would be placed to the Chairman of the CPB before 9:00 o'clock on Tuesday, May 16, for his recommendations.

GREG WATSON:

Stated again that the Committee is not in the business of putting MEDIA out of business.

Meeting adjourned at 9:30 P.M.

Neva VerMeer
Transaction Secretary

The MEDIA Task Force Committee meeting was called to order at 5:45 P.M. by the Chairman, Greg Watson. The meeting was held in the Model Cities Conference Room #226 at 5329 N.E. Union Avenue.

Those present at the meeting were:

Ella Mae Gay
Herb Simpson
Hasten Payne

Charles Ford
Joe Nunn
Greg Watson, Chairman

The minutes of the last meeting were distributed.

The Chairman stated that this would be a closed meeting and asked that all information be held strictly confidential as clients of MEDIA were to be interviewed. The relationship between a client and MEDIA would be jeopardized by releasing information to the public. A discussion followed in which the committee members agreed unanimously that this would be the order.

GREG WATSON: Stated that this is a Sub-Committee of CP3 and the committee is not trying to eliminate MEDIA. We are only trying to establish communication and liason between MEDIA and the CP3 by talking with clientele the corporation is serving through seed money from Model Cities. We are interviewing people who have had dealings with MEDIA so we can get a true picture of what has, or what has not, been accomplished.

GREG WATSON: Stated that Client No. 1 had been working closely with MEDIA since its inception.

CLIENT NO. 1: Stated that his corporation deals with MEDIA and that he considers MEDIA the client in this case. He stated that in his opinion MEDIA is offering financial assistance which the community definitely needs to solve the economic situation.

GREG WATSON: Asked Client No. 1 his opinion of the MEDIA board members.

CLIENT NO. 1: Stated that in his opinion the Board is made up of some of the finest financial men in the city.

GREG WATSON: Asked which one of the staff members Client No. 1 has had the most contact with.

CLIENT NO. 1: Stated that he has probably had contact with all of them.

HERB SIMPSON: Asked Client No. 1 if he thought MEDIA had made an impact on our community.

CLIENT NO. 1: Stated that it is a new organization. He doesn't know who they loaned money to and the resulting effects, but believes the community definitely needs MEDIA.

Client No. 1, who had been present at the opening of the meeting, was asked to leave before the next client was admitted. The Chairman admitted Client No. 2.

GREG WATSON:

Stated that this committee has been formed to try to establish some liason with the MEDIA Corporation. We are also trying to make a recommendation for MEDIA for the Third Action Year. We have a three-prong approach to this. We are attempting to talk to MEDIA staff, Model Cities staff, and with the clientele. Our interview with you here is confidential and we are not going to refer to you by your name. We would like your open opinion in regards to MEDIA. The committment to you has been a financial committment thus far and we would like to know if it has been satisfactory. Is this going to be enough to give you a sound basis?

CLIENT NO. 2:

Stated he considers MEDIA programs good except for the fact that it is not enough. He stated it needs more seed money. He further stated they had helped him tremendously in his bookkeeping. They usually respond pretty well when he calls them. There is too much delay but without MEDIA I am too little and not strong enough. They helped me to work up to a position where I can borrow from the bank. They helped me in the beginning but it does take them too long a time to act. This last contract took them almost three weeks. It is too long a period when a contract is involved.

JOE NUNN:

Asked what was the nature of his business.

CLIENT NO. 2:

Stated he was an Architectural Designer.

JOE NUNN:

Asked how much of a loan he had applied for.

CLIENT NO. 2:

Stated that they had given him \$18 00. Stated that it was not enough and that he needs more, but if it takes too long it will hurt him. Otherwise their services have been good.

HASTEN PAYNE:

Asked what reasons they give for the delay.

CLIENT NO. 2:

Stated they have to go before the Board and that involves time.

GREG WATSON:

Asked if MEDIA had actually helped him with his books

CLIENT NO. 2:

Stated that they had sent a firm out to help him.

GREG WATSON:

Stated that client's wife is now maintaining the book. Inquired if MEDIA checks with him periodically.

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- CLIENT NO. 2: Stated they leave him alone unless he calls and then they do respond.
- GREG WATSON: Asked if MEDIA does refer him to groups or companies for bids, or if he has to seek out his own bids.
- CLIENT NO. 2: Stated he had to get his own jobs.
- HERB SIMPSON: Asked Client No. 2 if he thought MEDIA has made an impact on the community.
- CLIENT NO. 2: Stated they had done something for him, and what they have done is beneficial. Stated they had given him some seed money to pay his staff but it has been held up because they are unable to release more money at this time.
- JOE NUNN: Asked amount of staff client employs.
- CLIENT NO. 2: Stated he was employing four people.
- GREG WATSON: Stated that if he had an ongoing contract which was recognized by MEDIA through the month of April, that contract would be recognized, as monies were released at the last meeting of up to \$50,000.
- Some discussion followed on the money released for the benefit of established clients. The Chairman then dismissed Client No. 2 and admitted Clients No. 3.
- GREG WATSON: Explained to Clients No. 3 the Sub-committee's function, and the fact that the meeting was of an extremely confidential nature, and the purpose of the interviews.
- GREG WATSON: Stated they had some information relative to clients' business and learned that the assistance from MEDIA had been financial and technical. Business was rated in the category of "fair to poor". Asked clients for their cooperation and assistance.
- CLIENTS NO. 3: Stated that their business was a sign company which previously had about 40 per cent increase each year. Client stated that he was asked if he needed a loan. They added a paint store. About 8 months later they were suffering business reverses and behind in taxes.
- GREG WATSON: Asked clients to state the initial figure contracted with MEDIA.
- CLIENTS NO. 3: Stated \$10,000. We signed not only for financial assistance but also for managerial assistance. At the time of granting the loan MEDIA had us sign a contract giving all managerial powers to them. They did take over all the problems of accounts receivable and accounts payable.

- CLIENTS NO. 3: Stated MEDIA sent notices to almost all of their accounts payable and told them MEDIA was now handling the business. Internal Revenue called us and stated that in the past our business had been sound but now there is a lot of flaws. A friend from Internal Revenue informed us that MEDIA would have to be tested and to test them as far as we could. MEDIA promised to catch up arrears with Internal Revenue.
- GREG WATSON: Asked if MEDIA followed through with their commitments and if clients felt they had been supportive.
- CLIENTS NO. 3: Stated definitely not. They said they were going to take care of our tax problem. They didn't try to get our records straight. They just came up with a figure of \$10,000. They paid off a large tax bill and some of our State taxes. They told us we were all paid up taxwise.
- GREG WATSON: Asked were they going to work with you or were they going to take over the business.
- CLIENTS NO. 3: They were going to work with me and train me.
- ELLA MAE GAY: Asked what kind of training had they received.
- CLIENTS NO. 3: Answered none. They said they were going to give me training and they were going to manage the business. They did not.
- GREG WATSON: Asked if MEDIA performed a market survey.
- CLIENTS NO. 3: Stated only after three months. We asked for facts. We received a three or four page market study that summarized what they thought the situation was.
- GREG WATSON: Asked if they had a need to go back to MEDIA.
- CLIENTS NO. 3: Stated their house was mortgaged. Their paints, their machines and everything they have is mortgaged.
- HERB SIMPSON: Asked if they are going bankrupt.
- CLIENTS NO. 3: Answered no. Stated he can paint and he has customers. If he is cut off he will have to work that much harder.
- More discussion followed concerning the clients' contract with MEDIA and the dissatisfaction they experienced with the results.
- GREG WATSON: Asked if the corporation made any attempt to completely take over the business.
- CLIENTS NO. 3: Answered that they definitely had. They stated that MEDIA had asked to buy them out.

JOE NUNN:

Asked if the corporation bought them out, then who would own the business.

CLIENTS NO. 3:

Stated that MEDIA would own it but stated they would be given the opportunity to buy the business back in five years.

Chairman dismissed Clients No. 3 and admitted Client No. 4. Chairman explained purpose of interview, the Sub-committee's function, and the extremely confidential nature of the meeting to the client.

GREG WATSON:

Stated the committee wanted to know the client's feelings about the corporation and the assistance she had been receiving.

CLIENT NO. 4:

Stated that without MEDIA's help she would not have been able to go into business for herself. Stated that after taking her application they advised her to go to SBA, which she did. MEDIA assisted her in applying for the loan. Stated their supportive advice and technical assistance were of great benefit.

HERB SIMPSON:

Asked client if she does her own bookkeeping.

CLIENT NO. 4:

Stated she has a customer whose husband is a bookkeeper and she employs him.

Discussion followed with client praising MEDIA for their assistance to her. She stated that her relationship with MEDIA staff was very good, but feels they should have some older members from SCORE on their staff.

Chairman dismissed Client No. 4 and admitted Client No. 5. Chairman explained to client the Sub-committee's function, purpose of interview, and the extremely confidential nature of the interview.

GREG WATSON:

Stated that assistance to Client No. 5 has been classified as technical assistance. Asked client to relate her relationship with MEDIA and her feelings concerning MEDIA.

CLIENT NO. 5:

Stated she thought MEDIA was wonderful, and had it not been for them she may have been in a hospital by now from worry over her books.

GREG WATSON:

Asked client if she had any financial assistance from MEDIA.

CLIENT NO. 5:

Stated no. Stated MEDIA came to her house and obtained her books and straightened them out. Stated that Internal Revenue had been taking all her money.

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JOE NUNN: Asked client if she pays for this technical assistance.

CLIENT NO. 5: Stated she does not. MEDIA informed her that if she needed money they would help her with the bills.

CHARLES FORD: Asked client if she had a bookkeeper prior to going to MEDIA.

CLIENT NO. 5: Stated that prior to going to MEDIA, she had given a woman \$200 to straighten out the books but all she did was to make a report on the taxes.

CHARLES FORD: Asked how long client has been dealing with MEDIA.

CLIENT NO. 5: Stated about two or three months.

Chairman dismissed Client No. 5, and admitted Client No. 6. Chairman explained to client the Subcommittee's function, purpose of interview, and the extremely confidential nature of the interview.

GREG WATSON: Asked the nature of assistance from MEDIA.

CLIENT NO. 6: Stated that it is a financial contract.

GREG WATSON: Asked if MEDIA is meeting the terms they have set forth.

CLIENT NO. 6: Stated yes, that MEDIA has helped them to keep operating. We have a weekly payroll to meet, and if the general contractor is late we still have to meet our payroll.

GREG WATSON: Asked if MEDIA had given them referrals to jobs.

CLIENT NO. 6: Stated they get them through Albina Contractors.

JOE NUNN: Asked how many employees they had.

CLIENT NO. 6: Stated we run from 4 to 12, and we have from 5 to 10 on other projects.

JOE NUNN: Asked how many jobs they had contracted in the MC area.

CLIENT NO. 6: Stated about 40.

JOE NUNN: Asked their indebtedness to MEDIA.

CLIENT NO. 6: Stated \$10,400. Stated MEDIA helped them to get bank credit. The bank has a lot of confidence in MEDIA. They will give us funds, extend our credit, etc.

JOE NUNN: Asked if MEDIA secured these loans.

CLIENT NO. 6: Stated he did not know. They send us to a bank.

JOE NUNN:

MEDIA is underwriting you a loan?

CLIENT NO. 6:

Stated they were, and without MEDIA they wouldn't have a chance. They helped us get all the information we needed for bonding to do a government job.

GREG WATSON:

Asked how long they have been clients of MEDIA.

CLIENT NO. 6:

Stated their first contract was signed October 5, 1971.

CHARLES FORD:

Asked if they were paying back to MEDIA.

CLIENT NO. 6:

Stated they were paying directly back to MEDIA. It is like a revolving loan. They ask us what we need for the next month. We borrow only what we need to keep operating. They also provide technical help.

GREG WATSON:

Asked if the client felt that this entity has made an impact on this community.

CLIENT NO. 6:

Stated that it has made an impact on him. If MEDIA pulled out tomorrow, we would have to close down the job. We are eternally grateful to MEDIA.

Chairman dismissed Client No. 6 and stated that at the next meeting he would like to interview one or two who have been rejected by MEDIA. The Board wants us to be ready to make a recommendation prior to the Third Year allocation.

The next meeting was scheduled for Monday, May 15, 1972, at 5:30 P.M.

Meeting adjourned at 7:30 P.M.

Neva VerMeer
Transaction Secretary

OFFICIAL MINUTES
 MEDIA TASK FORCE COMMITTEE
 May 1, 1972

The MEDIA Task Force Committee meeting was called to order at 5:30 P.M. by the Chairman, Greg Watson. The meeting was held in the Model Cities Conference Room #226 at 5329 N. E. Union Avenue.

Those present at the meeting were:

Mike Henniger	Andrea Sharp
Elvin Roberts	Hasten Payne
Herb Simpson	Joe Nunn
Charles Ford	Ella Mae Gay
Fred Flowers	Greg Watson, Chairman

The minutes of the last meeting were distributed.

Andrea Sharp distributed copies of a MEDIA Portfolio she had compiled. Also distributed were copies of Price Waterhouse & Co.'s MEDIA Budget Justification, cover letter to the Board of Directors, and Notes to Financial Statements for MEDIA.

ANDREA SHARP:

Stated she had gone to MEDIA and had listed all client activities and/or functions that have been promoted and the type of assistance they have received. On the list there are 25 clients of MEDIA. The report projects the business outlook for the next two years and the CDA evaluation runs.

GREG WATSON:

Stated that we want to interview some of these clients to try and determine their potential and the type of managerial ability of each individual.

Discussion followed concerning large out of town corporations and the possibility of an application for a loan being submitted to MEDIA which would indirectly supply these larger corporations.

ANDREA SHARP:

Stated that she had not talked to each client individually.

GREG WATSON:

Asked how many clients had been rejected.

ANDREA SHARP:

Stated that 6 had been rejected because they had not come back or because of a poor report.

GREG WATSON:

Asked if they had rejected 6 and had accepted 14.

ANDREA SHARP:

Stated that 14 went through the entire process and the 6 rejected did not return after they had made their initial application.

GREG WATSON:

Stated that a figure is needed of the total number of clients accepted.

Discussion followed concerning interviewing some of the clients who have been rejected. Andrea Sharp agreed to do so.

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- ELLA MAE GAY: Stated that one of the businesses on the list is closed and the locations of others are not clear.
- JOE NUNN: Asked where do we go from here in terms of what to do about MEDIA. We can stop them right now and say we can't get information that is pertinent. Do we continue to go along with their seed money concepts each month? Stated he has never seen anything come back from MEDIA that made sense by way of what they are doing. We have to make a decision. Do we just go along groping in the dark?
- GREG WATSON: Stated that we would like to hear from Mr. Roberts at this time.
- MR. ROBERTS: Stated that he could respond to any questions asked of him. Referred to the audit of MEDIA which was performed by Price Waterhouse & Co. Stated he had made a recommendation that the audit be accepted. Stated certain things should follow within 30 days or a reasonable length of time.
- GREG WATSON: Asked when the next audit will be performed.
- MR. ROBERTS: Stated that he was about to make a recommendation that their books be re-audited.
- GREG WATSON: Asked would we get their report prior to the Board's decision for the Third Action Year.
- MR. ROBERTS: Stated that he did not know. MEDIA was to be the last agency to be audited.
- GREG WATSON: Asked what was the amount of seed money to MEDIA.
- MR. ROBERTS: Stated \$323,000 and they would report to us if more were needed.
- ELLA MAE GAY: Asked Mr. Roberts what his capacity is in Model Cities.
- MR. ROBERTS: Stated that he is the Financial Manager.
- ELLA MAE GAY: Asked Mr. Roberts if in his position he has to know where all the monies are going.
- MR. ROBERTS: Stated that this is correct and that presently there is a procedure problem. The Agency is being investigated by the Board.
- ELLA MAE GAY: Asked Mr. Roberts if he could see any reason why MEDIA cannot come before the Board as the other projects do and give their reports.

MR. ROBERTS:

Stated that would be a Board decision and he did not think a staff member should respond to that question. He stated that Price Waterhouse has their own system which is their method of reporting and very difficult for a layman to read.

GREG WATSON:

Asked Mr. Roberts if he knew of any procedures used to disburse of the funds. Can some of the funds be handled by the Director?

MR. ROBERTS:

Stated the staff of MEDIA has flexibility in granting up to \$5,000 to any individual company without going to the Board.

Discussion followed on sums up to \$5,000 being granted as separate loans and not added on to existing loans. Rates of interest are commensurate to current bank rates. They can fluctuate from month to month.

FRED FLOWERS:

Stated that he believes the CDA Director will have to compile a report and let us know where the CDA stands.

GREG WATSON:

Stated that MEDIA is now requesting additional monies and the Director wants some direction from the committee relative to allocating additional funds. We need to come up with a recommendation. At the present time they are operating on a request type basis and they have made a request.

MR. ROBERTS:

Stated they have requested \$50,000.

GREG WATSON:

Stated that this fact finding committee has to take a position relative to the \$50,000. We need more information to make a recommendation. We do not have a great deal of information and the information we do have is not very clear. He stated he would like the committee to give him a recommendation this evening to give to Mr. Jordan relative to the \$50,000.

Discussion followed concerning the use of the \$50,000. Suggestions were made to use it for the businesses needing it who are already well established in the community. Suggestions were made not to process additional loan applications at the present time.

CHARLES FORD:

Stated that MEDIA is the operating agency for these businesses. If we don't structure them properly we are going to look at a lot of failures. We grant loans and watch them go right down through the tube.

GREG WATSON:

Asked if the \$50,000 is to be used for only three clients.

MR. ROBERTS:

Stated he could think of an additional company that has inquired as to when the funds would be released.

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- JOE NUNN: Asked how much administrative costs were each month according to the budget.
- MR. ROBERTS: Answered around \$15,000. We have a \$202,000 administrative cost for the 2nd Action Year.
- JOE NUNN: Asked what is the balance of the contract in the MEDIA account at present.
- MR. ROBERTS: \$76,563.
- JOE NUNN: Inquired concerning the travel item in the budget representing \$5,648.
- MR. ROBERTS: Stated that in the formation of something like this it is necessary to be in touch. It may be necessary for the Director to travel to Washington, D. C.
- GREG WATSON: Asked Mike Henniger to take the floor.
- MIKE HENNIGER: Stated that they have prepared Third Action Year contracts. They want to encourage conventional loans and use seed funds to get minority people in businesses to compete successfully. Get a client in a business which has a chance for success and you will build in the Model Neighborhood economic competitiveness. What is the real relationship between the Board and the operating staff. Somebody seems to think we are putting a lot of money into failures.
- JOE NUNN: Stated that he knew of only one man from the Model Neighborhood who is on the board.
- MIKE HENNIGER: Stated that it was set up with four or five but there has been a series of resignations. One of the fundamentals which make it work is its technical assistance. Many of the staff members of MEDIA are not from Portland and they may not necessarily understand Model Neighborhood. MEDIA was funded on the precepts of Black Capitalism.
- FRED FLOWERS: Stated that we have a number of programs that are designed to fail. Realistically thinking, what it is doing to the Black is to set him back 150 years. A lot of the people on the staff have been brain-washed and it is unfortunate.
- GREG WATSON: Asked if the people receiving the loans are paying them directly back to MEDIA.
- MR. ROBERTS: Stated that they are supposed to do so.
- GREG WATSON: Asked are they paying them back.
- MR. ROBERTS: Stated no, they are not.
- GREG WATSON: Asked if attempts were being made.

MR. ROBERTS:

Answered in the affirmative.

MIKE HENNIGER:

Stated the structure used when we set up MEDIA is a very important structure. The non-profit corporation is an extremely important tool. City Hall is going to judge future requests based primarily on the reaction to MEDIA. Details of what is going on at MEDIA are the basis of reaching a decision. The core of the program was meant to be increased economic competitiveness and whether or not MEDIA can accomplish that.

ELLA MAE GAY:

Stated that what this Committee wants is some results of what has been done. Show us some impact it has made in the neighborhood.

MR. ROBERTS:

Stated that MEDIA is a brand new concept as far as Model Cities is concerned. It is not fair to judge MEDIA at present as it is very young.

JOE NUNN:

Stated that in two years there won't be a Model Cities Neighborhood. We have to put our dollars where they will do the most good. The Black Capitalism idea has failed all over the San Francisco area. The money should be put where it could serve more people.

GREG WATSON:

Stated that the Director is asking this Committee for a recommendation for the \$50,000.

JOE NUNN:

Made a Motion that loans presently in the process of being funded shall continue being funded. New loans will not be funded until the Chairman of the CPB relinquishes more funds. Motion seconded.

Discussion followed on the Motion. Discussion on bringing clients to the next meeting and the necessity of presenting a report to the CPB by the first part of June.

Motion was voted on and passed unanimously.

Meeting adjourned at 7:15 P.M.

Neva VerMeer
Transaction Secretary

OFFICIAL MINUTES
MEDIA TASK FORCE COMMITTEE
April 20, 1972

The MEDIA Task Force Committee meeting was called to order at 5:30 P.M. by the Chairman, Greg Watson. The meeting was held in the Model Cities building, Room #218 at 5329 N.E. Union Avenue.

Those present at the meeting were:

Greg Watson, Chairman
Mrs. Ella Mae Gay
Hasten Payne, Jr.

Milton Hatcher, MEDIA
Herb Simpson
Joe Breed
Joe

The minutes of the last meeting were distributed and briefly discussed by the members. The Chairman stated that if there were no questions concerning the minutes that they would stand approved.

Mr. Watson stated that he was asked by the Chairman of the Citizens Planning Board to make a report on what progress the MEDIA Task Force has made to date.

HASTEN PAYNE, JR.:

Stated that the Chief Management Consultant is in charge of the Management Analyst section, and the Finance Analysis section is in charge of the Finance section. The Chief Management Consultant overlooks the operations of two Management Analysts. The Finance Analyst prepares budgets. The Loan Officer is a package man. He seeks out additional sources of finance and he presents packages to the bank.

HERB SIMPSON:

Stated that we are responsible for what kind of impact the group is making on the neighborhood. How many people come in and have their books straightened out? Where is this having an impact on the community?

JOE:

Stated that members of the CPB have a decision to make as to where funds should be allocated. They need to know now if the Media is producing. What successes have you had? We only hear about the negative things that happen to MEDIA. The Assistant Chairman of the Planning Board wants facts. We need information if we are going to continue to support a project that is receiving 1/8 or 1/9 of the Model Cities budget. If we cannot have this information, the project may be in for a failure.

MILTON HATCHER:

Stated that the Committee has the same relationship with the people they work with as a bank does to its clients.

JOE:

Stated that there are other projects going on in Model Cities that need funds and the CPB is not willing to cut them back.

- GREG WATSON: Asked the MEDIA to provide some figures and statistics in reference to how many clients are rejected.
- ELLA MAE GAY: Stated that she did not see the reason why the project cannot give statistics as do other MC projects.
- MILTON HATCHER: Stated that if information is needed, a letter should be sent to the president of their board.
- GREG WATSON: Stated that a letter should be drafted to Mr. Mills asking him to release the information needed.
- JOE: Stated that the information needed concerns the successes and failures of the MEDIA projects.
- HERB SIMPSON: Stated that he was interested in a breakdown of the number of loans made, how businesses are financed in the MN area, how many in the metropolitan area, and how many successes and failures to date.
- JOE BREED: Stated that it is difficult to label something a success or failure. Some of the businesses operating successfully now cannot be measured for a few years, and that if MC cuts off the program today some of the businesses started under the program will continue to be successful.
- GREG WATSON: Asked if there is a way to forecast or pro-rate the trend as far as the report is concerned.
- MILTON HATCHER: Stated that all they can do now is to give a prognosis.
- GREG WATSON: Added it was stated in the report that the staff does not have a good attitude whenever a client comes in to apply for a loan. MEDIA has a condescending attitude towards clients.
- MILTON HATCHER: Stated that when a loan has to be rejected, that naturally the individual is disappointed.
- GREG WATSON: Stated that the report indicated that ten per cent of the staff felt the clients were not sufficiently informed as to the reason for the rejection of their proposals.

MILTON HATCHER:

Stated that there is no tactful way to reject a loan. Facts and figures can be presented and the individual, when rejected, takes it as a personal instead of a business matter.

HASTEN PAYNE:

Stated that a brief list of the reasons used to decide whether or not a client receives a loan would be helpful. How is a decision arrived at?

The Committee decided that another meeting would be held after Mr. Hatcher has compiled the necessary information for a report to the CPB.

Meeting adjourned at 6:20 P.M.

Neva VerMeer
Transaction Secretary

OFFICIAL MINUTES
MEDIA TASK FORCE COMMITTEE
April 12, 1972

The MEDIA Task Force Committee meeting was called to order at 6:00 P. M. by the Chairman, Greg Watson. The meeting was held in the Model Cities Conference Room #226 at 5329 N. E. Union Avenue.

Those present at the meeting were:

Greg Watson, Chairman
Mrs. Ella Mae Gay
Hasten Payne, Jr.

Herb Simpson
Milton Hatcher, MEDIA
Joe

Mr. Watson stated that a meeting had been held to establish a liaison with the Citizens Planning Board. The Citizens Planning Board wished to know what the basic policy is or was used to release Mr. Griffin at that time. It is not the feeling of this sub-committee to reinstate Mr. Griffin which is something he indicated he would not even accept. We, the sub-committee, would talk to the Board of MEDIA relative to the policy and procedure used. In addition to determining this policy, Mr. Griffin's main complaint was to set future procedure. The Board wants to be aware of the nature of this procedure and how it happened. The sub-committee will submit a definite report to the Citizens Planning Board relative to MEDIA Corporation. This sub-committee has several questions they feel the staff could answer and clarify. This committee has a commitment to the CPB and the residents of this community.

We are here to have Mr. Hatcher tell us how he and his staff feel about their responsibilities and duties to the economic development of this community, funded through Model Cities. We have had an opportunity to look at the Evaluation Report of Model Cities, parts of the total proposal and the project summary.

MR. HATCHER: Stated that we should look at MEDIA as being charged with the economic development of the Model Neighborhood. The Model Neighborhood businessman is afflicted with all the problems of the minority businessman. The staff feels its responsibility is in financing the MN businessman and establishing connections with financial institutions. These connections with financial institutions are beneficial to the individual who has no funds but an idea. If the individual applied on his own, the bank would turn him down with no recourse. Primary purpose of MEDIA is to see what the ongoing market needs.

MR. WATSON: Do you actually do market surveys?

MR. HATCHER: We check into the feasibility of such enterprises as cab companies, drive-in restaurants, rubber products. The conversion of used tires and what can be made from them, spices, pennants, etc. Usually the businessman is a marginal operator and hasn't thought the operational process through. This is a roll that MEDIA can fulfill. The bank is willing to go x number of dollars if MEDIA goes x number of dollars.

MR. WATSON: What are some of the objectives of the management concept?

MR. HATCHER: If an individual has books that are out of order, he will

need an accounting system set up, an audit or a marketing study done. If it is an area in which they don't need financial assistance, technical assistance can be given. If he has no books, we will not look at it. If he has data, my staff can put together a set of statements. We can set up an accounting system where an outside public accountant can take over. We can set up a system but he has to foot the bill. If someone comes in and dumps a box of papers, this would entail reconstruction work. We sign a paper attesting to the authenticity of the work.

MR. WATSON: Does your staff have any priorities as far as the three basic categories, financial, technical, managerial, are concerned.

MR. HATCHER: There are no priorities. There are certain members of the staff primarily concerned with management and those primarily concerned with financial.

Mr. Hatcher drew a diagram of the organizational structure of MEDIA. How each of the levels are interwoven and what their specific duties are in relation to minority businesses and goods. There is an Executive Director, Deputy Director, Business Development Section, Management Section and a Financial Section. Under the Business Development Section, staff makes at least one corporation contact a week. Thirty to fifty on behalf of individuals. Under the Management Section there is a Chief Management Consultant and a Management Analyst. Under the Financial Section, they have a Financial Analyst and a Loan Officer.

MR. SIMPSON: Asked what the impact of this program was on the community.

MR. WATSON: How many clients is the staff serving?

MR. HATCHER: Stated that he did not have the statistics with him. That this comes from the Evaluation Section. Model Cities gets copies of the Monthly Reports. He suggested that committee members read the Quarterly Evaluation Report and the Monthly Report and jot down questions and send them to him so that he could get the appropriate information.

In answer to a question from a committee member, Mr. Hatcher stated that their feeling for the most part is that the neighborhood is not conducive to supporting business.

Stated that they try to find a place where an individual can locate, if possible in the Model Neighborhood. If we establish outside the Model Neighborhood, it will be a resident, partnership or corporation venture.

MR. WATSON: Stated, in conjunction with Mr. Hatcher, that a tentative

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meeting would be scheduled for April 20th at 5:30 P. M. in
the Model Cities Conference Room.

Meeting adjourned at 6:30 P. M.

Beverley J. Tate
Transaction Secretary