

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET BOARD MINUTES
Monday, September 28, 2015 — 5:30 p. m.
210 State Street, City Hall, Second Floor Council Chambers, Charlevoix, MI

A. Call to Order/Invocation or Pledge of Allegiance

B. Roll Call of Members Present

Chair: Dan Barron
Members Present: Gabe Campbell, Fred DiMartino, Kirby Dipert, Dianne DuPont, John Kurtz, Rick Wertz, John Yaroch
Members Absent: Tamie Gillespie
City Staff: Annie Doyle, CED Director

C. Inquiry into Potential Conflicts of Interest

None

CEDD Doyle requested to add to the agenda for the approval to write three (3) Charlevoix Community Foundation Grants under Miscellaneous Business. Chair Barron stated that Member Kurtz had a miscellaneous item related to the Charlevoix Public Library and the budget and he asked to add both of these items following New Business.

Motion by Member Kurtz, second by Member Wertz to add the two items to the agenda following New Business. Motion carried by unanimous voice vote.

D. Consent Agenda

1. Approval of Minutes August 24, 2015 and August 31, 2015.

Chair Barron stated relative to the August 24th meeting on the motion to constitute a Facilities Management Committee that he requested to entertain that motion, but that he did not make the motion, but since there was no recollection as to who made the motion it could stand as reflected. Member DiMartino stated that under Item G Public Comment that Greg Stevens also mentioned the fact that the Board may have to bring the ice rink up to the Planning Commission as well as City Council.

Motion by Mayor Campbell, second by Member Yaroch to approve the minutes of August 24, 2015 as corrected and of August 31, 2015 as presented. Motion carried by unanimous voice vote.

2. Main Street Committee Meeting Minutes.

Member Wertz questioned whether Staff can vote at committee meetings. Director Doyle stated that she votes, but if they didn't want her to, she didn't have to. Mayor Campbell stated that this topic was discussed at the last Council meeting where the City Manager recommended that Staff act as advisors on committees. Chair Barron stated that they definitely needed Director Doyle's participation, but not necessarily as a voting member. Brittney Hoszkiw, Michigan Main Street, stated that in most committees Staff was present to advise as needed, but not to vote. The Board concurred that the Executive Director would not be a voting member on committees.

E. Director's Report

CEDD Doyle reviewed the items contained within the Executive Director's Report, and responded to questions.

CEDD Doyle stated that the committees were working on their work plans and last week they attended Design Committee training. They were also gathering public input on the ice rink and she referenced a recent newspaper article. CEDD Doyle indicated that the committee had created a public survey and received 70 responses with an 87% approval rating for the ice skating rink.

CEDD Doyle stated that Charlevoix was also featured in the Petoskey News Review's special publication of *Our Community* regarding the Clean Up, Spruce Up, Fix Up promotion. Mayor Campbell stated the event is scheduled for Saturday, October 3rd from 1:00 to 4:00 p.m. in East Park.

CEDD Doyle encouraged members to visit the DDA website, CharlevoixMainStreet.org and their Facebook page facebook/charlevoixmainstreet.org.

F. Old Business

None

G. New Business

1. Approval of Bid for Bridge Park Memorial Building.

Director Doyle stated that Staff received three (3) bids for waterproofing the Bridge Park Memorial Building. The Facilities Committee met last week and recommended that Shindorf Builders be selected at a cost of \$3,700, \$700 over budget. At the request of Chair Barron, CEDD Doyle read the request for bid.

Motion by Member Wertz, second by Member Dipert to accept Shindorf Builders' bid in the amount of \$3,700. Motion carried by unanimous voice vote.

2. 2016-17 Budget Review.

CEDD Doyle introduced Brittney Hoszkiw of the Michigan Main Street Center. Ms. Hoszkiw stated that the goal of this discussion was to walk away with a budget that the Board approves and a fundraising strategy for future years. She reviewed the process thus far to develop a vision, mission and goals and projects to support those goals, development of action plans and recommendations from the committees. She stated that a wish list of projects was created and costs were determined.

Ms. Hoszkiw stated that the planning process included using the City's DDA Plan, the City's Master Plan, and feedback from the community to identify the needs. The next step was to create a budget and then fund development planning. The committees made their wish lists with costs and it was up to the Board to allocate the income, compare and adjust as needed, and move forward with a budget that may be amended during the year as Design Committee projects come about. She stated for the Board to effectively monitor the budget it's helpful to have the budget line items be reflective of the Main Street Committees so the Board knows that by approving the work plans they essentially approved a contract between the Board and each committee.

Ms. Hoszkiw stated that it was good strategy to have 5% or three (3) months of expenses in a reserve contingency account in the event a fundraising activity fails to be successful or other unforeseen circumstances occur. She stated that the Board needs to be mindful of cash flow during the budget year.

Chair Barron initiated a discussion regarding the obligation of the DDA to make the annual debt service payments for the Marina and he believed payments have been overstated for the current year and next year. He referred to page D45R in the agenda packet which reflects a transfer to other funds (marina) at \$331,200, and on page D44R the debt repayment to the Marina project for 2015-16 is \$441,395. He referenced the Marina's annual contribution of \$120,000 through FY 2018-19. He stated that this year the Marina was scheduled to contribute \$110,000 and there was also supposed to be \$14,500 of lease money that the DDA formerly received from Sunshine Charters and Keweenaw leases that was taken out of the DDA's budget. The Board was told that the Marina's portion of the debt service payment would increase by \$14,500 because they were losing that revenue. He stated bottom line, the DDA contribution to the Marina Fund should be \$306,895 and not \$331,000. Chair Barron said that the overstatement continues because the proposed budget for 2016-17 includes the debt service payment for the Marina at \$451,195. CEDD Doyle stated with the turnover in the City Treasurer and DDA Director positions that this matter may have been overlooked.

Ms. Hoszkiw stated that there was a need to clarify what the DDA was contractually obligated to pay and those expenses that were DDA general expectations. She questioned whether the DDA was committed to fulfilling those expectations and did they need to be moved to the contract category. After discussion, Member Yaroch stated it would be a good idea to have the City Treasurer present at these budget discussions.

Member Kurtz provided background information on the issue of the DDA's annual contribution to the Library. He stated it was brought to his attention that this year the DDA was going to be receiving \$18,000 in unanticipated tax revenue. He stated in 2006 the DDA made a pledge to the Library of \$600,000 to be paid over 20 years and there was a period of time when the DDA could not make those payments. This year the DDA paid the Library \$15,000,

but since the DDA was going to receive extra tax revenue he recommended that the DDA pay an additional \$8,000 to the Library this year.

Motion by Member Kurtz to transfer an additional \$8,000 to the Library for a total contribution this fiscal year of \$23,000, that the DDA review the budget again at the end of the current fiscal year to see if there was any additional money that they could allocate to the Library, and the DDA re-affirm the pledge of \$600,000 to the Library and that we are going to try to honor that pledge even if it is over a much longer period of time, and establish a committee with members from the Library and DDA to review how the funds were calculated.

Member Wertz questioned how far behind the DDA was on its pledge and Member Kurtz stated that the DDA has paid \$165,000 year-to-date to the Library and the DDA should have paid \$270,000.

Motion restated by Member Kurtz, second by Member Dipert to transfer an additional \$8,000 to the Library for a total contribution this fiscal year of \$23,000.

Member Dipert believed the contribution should be \$10,000.

Member Kurtz amended his motion to pay an additional \$10,000 to the Library for a total contribution this fiscal year of \$25,000, second by Member Dipert. Motion carried by unanimous voice vote.

Member Kurtz stated that he wanted to set up a committee with two (2) members from the Library and two (2) members from the DDA to have good communication with the Library. He agreed to come back to the DDA with a recommendation for a future vote.

Member Wertz stated that he wanted to return to the discussion regarding the DDA's payment for the Marina debt service. Chair Barron again explained his understanding of the funds projected for payment of the DDA's commitment for the debt service on the Marina Project this year and the next budget year. Discussion continued regarding the lease payments and the Marina debt service.

Ms. Hoszkiw proceeded to review the proposed expenditures for the 2016-17 budget year. CEDD Doyle stated that the building maintenance line item should be increased from \$1,000. Member Wertz proposed changing the amount to \$5,000.

Member Wertz returned ~~the~~ to the discussion regarding page D-44R and the Debt Service Schedule. Chair Barron stated he wanted to see the delineation between what the DDA and the Marina pays toward the debt service.

CEDD Doyle stated that previously the DDA showed approximately \$2,000-\$3,000 in revenue from the Farmers Market referring to it as "false revenue" because the DDA was paying the Director to run the Farmers Market which was far more than what they would pay a Farmers Market Manager. This year the Farmers Market Manager worked more hours than budgeted and the proposed budget showed revenue of \$10,000. She proposed that the \$10,000 be used to pay for the Farmers Market Manager, promotions for the Market, and other related expenses.

Ms. Hoszkiw questioned the cost of Main Street projects proposed for the 2016-2017 budget and CEDD Doyle responded \$22,800 with \$19,785 raised to date. Chair Barron stated that the funds associated with the upcoming Bridge Drop and the Constant Contact webpage were not included in the proposed budget.

Motion by Member Dipert, second by Member DiMartino to allocate \$2,500 in support of the 2015 New Year's Eve Bridge Drop. Member Yaroch ~~confirmed that the amount for the full event was \$15,000-\$16,000 for this year's event.~~ acknowledged the comments of Rick Randall that the amount for the full event was \$15,000 - \$16,000 for this year's event. Discussion followed regarding the specifics of the Bridge Drop event. Motion carried by unanimous voice vote.

Ms. Hoszkiw stated that the proposed expenditures for FY 2016/17 are \$585,587 which did not include \$5,000 for the building maintenance as previously discussed, or the \$22,800 for the Main Street activities equating to a \$43,558 deficit. Extensive discussion followed regarding the proposed expenses for FY 2016/17 including

specifically the budget detail for Marketing & Promotional Services. The proposed budget for the Marketing line item was changed from \$56,100 to \$35,000.

CEDD Doyle stated that the State Revenue – Other line item budgeted at \$10,600 this year would in actuality be closer to \$3,000.

Ms. Hoszkiw questioned whether the Board was comfortable with the proposed budget. Member Dupont commented that there were still some loose ends and Chair Barron stated that there would be adjustments during the year. Member Dipert stated that he would like to see the \$30,000 contribution to the Library shown in the proposed budget at \$15,000.

Ms. Hoszkiw suggested that the Board allow the Director to work with the City Treasurer to clarify unanswered questions and to review the proposed changes to the DDA budget. Discussion followed regarding the need for a meeting with the DDA Chair, DDA Director, City Treasurer and City Manager; and a fundraising strategy for future years since the proposed budget for 2016/17 was “in the black”. Ms. Hoszkiw stated that once the budget is established for next year it was up to the Board to evaluate the progress of each committee’s work plan by reviewing the meeting minutes and the expenditures on a monthly basis. Next month the Board should be at budget approval stage, but Chair Barron felt that the Board needed more guidance from City Staff. Discussion followed regarding the next steps including CEDD Doyle working with the City Treasurer to update the projections from this meeting, and the sub-committee meeting to discuss and clarify the issues related to the Marina Fund and the DDA’s future debt service payments.

3. Request for Approval to Prepare Three (3) Grants for Submittal to the Charlevoix Community Foundation.

CEDD Doyle stated that she wanted to apply for three (3) grants for submittal to the Charlevoix Community Foundation for assistance with the Farmers Market, volunteer training, and development of a signage master plan. The deadline for the grant applications was October 1st.

Motion by Mayor Campbell, second by Member Dupont to endorse and support the grant applications requested by CEDD Doyle. Motion carried by unanimous voice vote.

4. Discussion Regarding the Charlevoix Public Library.

Item discussed earlier in the meeting.

H. Public Comment

None

I. Miscellaneous Business of the Board

None

J. Future Agenda Items

None

K. Adjournment

Motion by Member Yaroch, second by Mayor Campbell to adjourn. Motion passed by unanimous voice vote. Meeting adjourned at 7:53 p.m.

Joyce Golding/fgm

City Clerk

Dan Barron

Chair