

MEETING MINUTES
Berkley Downtown Development Authority
Meeting of the Board of Trustees
Berkley City Hall Conference Room
Wednesday, February 13, 2008

I. CALL TO ORDER: The meeting was called to order at 7:36 AM with Chair Alan Semonian presiding.

II. DETERMINATION OF ATTENDANCE:

Present: Jane Bais-DiSessa
John Barbuscak
Allen Dyer
Diane Farrington
Lawrence Gallagher
Karen Koerber
Robert Liss (left @9:30)
Keith Logsdon
Michael Pesendorfer
Alan Semonian
Aleta Young

Absent: James Esshaki
John McGovern – *excused*

Also Present: Michael Matthews-Pennanen, City Council Liaison
Joe Novitsky, Planning Commission Liaison
David Sabuda, City of Berkley Finance Director

III. APPROVAL OF AGENDA: Semonian asked to move up the Committee Report, item X.A.1., 2008/09 Proposed Operating Budget, so that it followed VII. Liaison Reports, because Sabuda had to leave early for a meeting. The amended agenda was approved unanimously upon a motion by Gallagher and a second by Logsdon.

IV. APPROVAL OF MINUTES:

Regular Meeting of January 9, 2008: On motion by Logsdon and a second by Dyer, the minutes were unanimously approved by the Board.

V. PUBLIC COMMENTS: None. Logsdon reported receiving a brochure for a “Planners Gathering” regarding downtown promotion and marketing being sponsored by Oakland County on March 7. He suggested it would be worthwhile for some Board members to attend. Farrington reported that three of her customers have complained about the difficulty caused by the build up of snow along the curbs. Semonian noted that Bruce Jerome couldn’t attend the meeting because his father had passed away. He suggested she talk to Jerome about it in advance of his report to the Board at an upcoming meeting. Pesendorfer reported that the new concrete sidewalks in front of the bank near his building at Robina and 12 Mile are already starting to pit and crumble. Gallagher noted that the schools had to use an alternative melter on their new concrete for the first year so that the concrete can cure properly. Semonian reported an e-mail sent to him and the Chamber from Tim Vestrand, owner of City Style on 12 Mile, who complained that the DDA and Chamber are doing nothing to promote most Berkley businesses. Julie Melrose of the Chamber wrote Vestrand a lengthy response. Farrington said that better communication with the local publications that write about Berkley businesses might help. Logsdon suggested working with the Chamber cooperatively to get better public relations for local businesses. Liss recommended a public relations consultant he knows and said he would have him contact Semonian. Logsdon noted that public relations should be a major focus for the Downtown Manager. Liss said connections are important to be effective. Pesendorfer asked how to get publicity on the theater marquee. Bais-DiSessa responded that the City leases the space and makes it available, with a fee for businesses and none for non-profits. Bais-DiSessa said that Parks and Recreation is the contact to get space on the marquee. Semonian said his main purpose in presenting Vestrand’s letter was to raise the awareness that there is a perception the DDA is not doing enough for Berkley businesses, and making them aware of resources is part of the DDA’s job.

VI. CHAIRPERSON'S UPDATE: Semonian has been busy with committee meetings on the TIF plan and Downtown Manager interviews.

VII. LIAISON REPORTS:

A. City Council Liaison: Matthews-Pennanen reported that Council got a report from Oakland County's top financial person, who painted a bleak picture of the County's financial situation. At the State of the County address, Matthews-Pennanen got to speak to him again. He predicted tough sledding for the area. Matthews-Pennanen said that little things the DDA can do for local businesses could be really important for their success.

B. Planning Commission Liaison: Novitsky reported that the car wash at Royal and Twelve Mile wants to put gas pumps in. The Planning Commission asked for them to improve their plan, and they came back with a better one. He also reported that K&S Party Store wants to move into the video store location once proposed for a new Taco Bell. They presented a plan with murals in their Coolidge facing windows, and they were asked to come back with a better plan. He also reported that the Planning Commission is not in favor of implementing a Coolidge streetscape in a hodge-podge fashion, that it needs to be continuous, not skip-start. There would also be infrastructure problems implementing the streetscape that way. Logsdon noted that the parking plan committee decided they need to update the parking study before moving forward to work with the Planning Commission.

C. Chamber of Commerce Liaison: Absent – no report

D. Zoning Board of Appeals Liaison: Absent – no report.

VIII. COMMITTEE REPORTS:

A. Treasury/Budget/Finance: Aleta Young

1. 2008/09 Proposed Operating Budget: David Sabuda – Sabuda met with Young and Barbuscak in January to draft the budget. He passed around printouts of the proposed budget for the 2008/09 fiscal year and started to give a summary of the items line by line. On his first exhibit (Table 1) he noted an anticipated ending fund balance of \$211,000. He projects that the 2 mill levy will be flat. The budget re-appropriates \$220,000 to the 08/09 budget for parking lot upgrades and parking lot design.

Barbuscak asked if the money from T-shirt sales and what was left over in the banner fund was earmarked. Sabuda responded that it was part of the fund balance now but he could issue a separate report if Barbuscak wanted to see it. Bais-DiSessa said it can only be used for banners. Barbuscak asked about the City's \$5,000 for banners and how the Board could work with the City on that. Bais-DiSessa said the Banner Committee should decide what kind of banner they want and the City will put it out for bids.

Gallagher asked Sabuda how many more years were left on the debt repayment. Sabuda said seven. Gallagher then asked if they should consider prepaying the balance to save on interest, and Sabuda said it was an option. Barbuscak noted the loan covered the whole redevelopment of the intersection, but Bais-DiSessa said it only covered the brick pavers, and that the grant paid for the rest.

In his handout (Table 2) of proposed budget expenditures and revenues, Sabuda noted that the initial \$20,000 for the DDA managing consultant (Downtown Manager) had been moved to Promotions. Gallagher asked him if Council approves the budget by "department" or line by line (which it effectively does). Barbuscak noted that design comes first in the \$220,000 budget for parking lots.

Young provided reasons on why the manager appropriation was put instead into Promotions. She noted that the DDA has done a good job putting forth initiatives for the downtown. As Treasurer, she feels that the \$20,000 to pay a downtown manager is money not well spent and would be better used to help businesses in a more direct way. She felt that individual Board members could do more, and outside expertise could be brought in as needed. Additionally, she felt that a qualified downtown manager candidate would cost more than \$20,000 a year.

She and Barbuscak had put together a list of ideas about how the money could otherwise be spent. Barbuscak outlined examples of how other cities in the area promote their downtowns: such as Birmingham's "Restaurant Week," Pleasant Ridge's trolley, and holiday lights in Rochester. Money could also be used on grand opening welcomes, snow removal, banners, flowers, and other beautification projects. The parking lot redesign could create a space for events such as a Farmer's Market or concerts and the art fair. The 1998 parking study also needs to be updated. Grants require matching funds.

Young asked for a roundtable discussion of the issue. Farrington suggested that with the amount of money involved, they could have a manager as well as the events and promotions Barbuscak described.

Logsdon said the kind of events Barbuscak described needed a single "quarterback" and also noted that Rochester has perhaps the best DDA director in the state. He said that "design by committee" is impossible. Main Street has created more than \$400 million in investment in local downtowns, and a director is needed to continue in their mentor program, as well as eventually becoming a full Main Street community. Who would write the grant proposals if they didn't have a director? He noted that the screening committee had three solid finalists, and two of them specifically stated that a part-time position was perfect for them at this time. One of the manager's tasks could be to find a creative way to pay for his/her position. To quarterback the special events and promotions is too much work for Board members. In addition, the manager gives the DDA a presence downtown, a "face" and ombudsman for businesses. The manager will help recruit businesses, attend seminars and meetings, put out the newsletter, and help get the Web site updated (which he said looks "tired"). He noted that the letter from City Style's owner is a perfect example of why a manager is needed. He suggested the Oakland County Main Street people could make their presentation to help convince Board members of a manager's importance.

Young noted that his ideas are all worthwhile, but considering the funding, and considering that she feels \$20,000 is not enough compensation, she had to look at the larger picture. She did say she would be open to a presentation from Oakland County Main Street. Logsdon noted that many Main Street communities are small like Berkley. Gallagher said the letter from Vestrand of City Style showed why a manager is needed.

Pesendorfer said he was in the middle on the issue. For him, priorities like maintenance and housekeeping are higher, and funding a manager before those are in order is putting the cart before the horse. He said he feels the City does nothing for downtown.

Farrington said she agreed with Logsdon's position, and that \$20,000 in these times wasn't bad.

Liss said he agreed with Pesendorfer. Liss favored that DDA money be spent to make the city attractive so that you can have these events.

Barbuscak said that the studies are important. He said he believed that during the interviews, the candidates all mentioned starting salaries higher than \$20,000, and potentially even more. That didn't include expenses, which meant spending @70% of the DDA budget on the manager, who may or may not accomplish all the goals of the Board. Another factor influencing his position was that when he talked to DDA district residents about the November DDA ballot issue, the DDA was asking them to allow the tax dollars to be spent on downtown improvements and beautification, not administration. Dyer countered that they already had a manager at the time of the vote. Barbuscak also noted that when Ferndale wanted to expand their DDA district and increase their mills, it was voted down. In the previous ten years, the Berkley DDA has been able to accomplish a lot using committees to get things done. It was the chair's job to get the committees to work. He thought that clean-up, appearance, and studies needed (parking, design) are more important uses of the money. To close, he said he didn't believe it would save

anyone's time to have a manager, that it would create more work. Semonian said he was worried about other Board members' time, not his own. He also noted that promotions were mentioned in the ballot issue literature.

Koerber said she was right down the middle on the issue. It appeared to her that the DDA was paying for a lot of overhead, but she said she agreed that the Board needed someone to coordinate activities. She wondered, though, why a manager would be any more able to get things done. In the Junior Women's Club, committees do the work, and those people also have jobs and families. On the other hand, she felt if a DDA manager could take a Board project and get it done timely, that would be fine. She didn't think anything could get done discussing the same issues month after month, and she said she personally feels ineffectual, as she hasn't been contacted to do one thing yet on behalf of the DDA. If a manager could help her be a better Board member, help the community, and help her grow her business, then she would be in favor of having one.

Dyer said that ultimately the things mentioned by other Board members need to get done, but he didn't think they would get done maintaining the status quo. He thinks a manager is needed, and the DDA can afford to do both promotions and pay a manager. He complimented Barbuscak on his energy and efforts on behalf of the DDA, but said there was no way he could personally come close to matching it.

Bais-DiSessa noted the Board has gone through a lot of ups and downs, and she thought that the City had done a lot for businesses. She also thinks the DDA can afford to do both promotion and pay a manager because of the fund balance. She didn't feel that \$20,000 was enough compensation. She also noted that she didn't believe Board members themselves would have enough time to accomplish the DDA's goals without a manager, even though volunteers can accomplish a lot. She also reiterated that the DDA could use some of the funds to pay Vansen to work with the DDA. Vansen and Sabuda have completed the TIF plan. Bais-DiSessa said that she has been the DDA manager for the past few years because she is the one who has implemented DDA projects as City Manager (with the exception of Barbuscak's work on T-shirt sales). She cited the intersection project and the sidewalks. She said it's the businesses' responsibility to keep their areas clean. She said the City doesn't want to burden the businesses with the cost of redoing sidewalks. City Council wants more code enforcement, but she doesn't like giving citations to the businesses. Liss countered that the City was responsible under the law for the sidewalks, and she said that they were both responsible. Bais-DiSessa said there would probably be a special assessment to fix the sidewalks. She stressed that the City provides businesses with many things: water, sewer, public service, inspections, tax collection. She noted that without the assistance of City staff, the TIF plan wouldn't have gotten done. She did note that if the part-time manager doesn't work out, she will go to City Council and urge that the funds appropriated to pay the manager be used to pay Vansen to fill the role. She agreed that a line item for maintenance should be included in the DDA budget.

Young asked to make a closing comment, noting that the Board appeared to be very split on the decision about budgeting for a DDA manager. She said that as Treasurer, part of her responsibility is to look at the budget, dissect it, and try to appropriate funds where she thinks they would be best utilized. She didn't want the Board to take the movement of the funds out of context. She asked the Board to look at what she had done with the budget from a Treasurer's point of view. She said she would support the Board's decision but would also continue to monitor the budget. Semonian asked the Board to keep in mind that they were making a fundamental decision about each Board member's role. He said the discussion raised the bar about the expectation level of Board members. Without a DDA director, Board members will be drafted to take on projects.

Barbuscak asked if the next move shouldn't be to have the Board or a committee of Board members put dollar figures to each of the goals and projects before making a final decision on the budget. Semonian said they needed to call for a vote before they lost a quorum. There was

question whether they would be voting on the line item, and Semonian clarified that the budget was the agenda item discussed and they would be voting on whether the budget was approved as is or not.

Young moved to approve the budget as proposed, and Barbuscak seconded. On a roll call vote, Barbuscak and Young voted in favor, and Bais-DiSessa, Dyer, Farrington, Gallagher, Koerber, Liss, Logsdon, Pesendorfer, and Semonian voted against, with Essaki and McGovern absent. The motion did not carry. **Logsdon then moved to amend the budget to include a DDA manager position.** He noted that some of the funds would probably have to be reallocated to cover as many items on Barbuscak's list and those that were discussed. Koerber asked if the budget had to be approved at the 2/13 meeting, and Bais-DiSessa said yes. Barbuscak said they would need another meeting. **Logsdon clarified his motion to amend the proposed budget to include funding for a DDA manager position, with \$25,000.00 reappropriated from the 2 mill levy fund balance, keeping the \$20,000.00 allocated in Promotions.** Koerber said she wasn't ready to vote. Semonian said the reason for subcommittees was to make proposals to the Board as a whole. Someone with an interest in that subcommittee should immediately volunteer to be on it. If they did not vote on an item, there would be a 30-day lag before they could vote on it again. That would affect interviews as well. He reminded the Board that the budget could be amended. Barbuscak questioned the timing of the vote considering the duress. Semonian countered that they would have one more vote and then adjourn, regardless of the outcome. He said it would be irresponsible to adjourn at that point. Barbuscak wanted more discussion, but Semonian countered that according to order, they needed the motion before discussion. **Dyer seconded the motion.** Barbuscak asked about manager expenses. Logsdon said they were in the budget. Sabuda noted that the total recommended appropriation for the manager and manager expenses would be \$62,350.00. The DDA would be in compliance with the law. Logsdon noted that in the years he had been on the Board, they had never come close to spending the budget. Semonian asked if anyone had a call for a vote, and Bais-DiSessa said she did. Barbuscak said they couldn't do that, but Semonian said they could. Pesendorfer said he couldn't understand the implications of the proposed change, and therefore couldn't vote. Semonian said they would then need a special meeting. Barbuscak asked Sabuda why the rush to approve the budget when it was due to Council April 30. This was the biggest decision the Board would have to make for the year. Semonian noted that this was precisely why the DDA can't get things done. He said if after the vote they needed to call a special meeting, he would call it for the following Wednesday. Young said it appeared the Board was moving funds to get to the DDA manager, and that was not the way the budget was proposed, just moving money out of convenience. Koerber noted that she was also not informed enough to vote on such an important topic. On a roll call vote, Bais-DiSessa, Dyer, Farrington, Gallagher, Logsdon, and Semonian voted in favor, Barbuscak, Koerber, Pesendorfer, and Young voted against, with Essaki, Liss (left), and McGovern absent. The vote was 6 to 4 in favor, and the motion carried.

IX. NEW BUSINESS:

A. Taco Bell Site Plan – Implementation of Coolidge Streetscape Program: See VII.B., Planning Commission Liaison Report

X. UNFINISHED BUSINESS:

A. DDA Downtown Manager Position: See budget discussion above.

XI. ADJOURNMENT:

The meeting was adjourned at 9:42 AM on motion by Logsdon and second by Farrington.