

**FERNDALE DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
THURSDAY, AUGUST 10, 2017
8:00 A.M.
FERNDALE CITY HALL
300 E. 9 MILE
FERNDALE, MI 48220**

MINUTES

I. CALL TO ORDER

A. Roll Call 8:04 a.m.

DDA Board Members Present: Jay McMillan, Dean Bach, Mindy Cupples, Michael Hennes, Chris Johnston, Pj Jacokes and Jerome Raska

DDA Board Members Absent: Blake Scheer, Jacki Smith and Mayor/Council

Staff Present: Barry Hicks, Cindy Willcock, Torri Buback

Guests: John Bry and Alex Hritcu, Main Street Oakland County, Sheryl Stubblefield and Jordan Twardy, City of Ferndale, Dania Bazzi, Ferndale Schools and Matt Zook, Ferndale Area Chamber

B. Dismissals: Blake Scheer, Jacki Smith and Mayor/Council

C. Approval of Agenda

Motion by Director Cupples, seconded by Director Johnston to approve the agenda as presented. All Ayes, motion carries.

D. Approval of Minutes: July 2017

Motion by Director McMillan, seconded by Director Raska to approve the Minutes for July 2017 as presented. All Ayes, motion carries.

II. Consent Agenda

A. Staff/Committee Report

Motion by Director Cupples, seconded by Director Jacokes to approve the Consent Agenda as presented. All Ayes, motion carries.

III. Budget Report – 5 Year Budget History – Sheryl Stubblefield, Finance Director

City of Ferndale Finance Sheryl Stubblefield provided 5-year historical information and detail on the DDA budget, as requested by the Board at the July meeting. She explained that the information provided was actual activity from the last 5 years, with the column marked 2016-17 being unaudited numbers through June 30, 2017 and the other columns all being audited numbers from the financials. In reviewing how to interpret the budget paperwork, she pointed out a couple items of note. The Contributions column saw a significant jump in 2013 versus 2017 and it appears the major difference was the MCCH contribution. There are a couple of items that are impacting taxes: the Headlee rollback, which is a state law that says as taxable value goes up more than the rate of inflation, it adjusts back down. There is no bottom limit, so when the housing market crashed and all taxable values went down, they can now only climb back up at the rate of inflation. The impact to the City/DDA is that taxable values

dropped significantly in 2008, but are much slower to climb back up. Also impacting DDA revenues is the Personal Property Tax exemption. The exemption is for local businesses with a PPT value of under \$80,000 and with the exemption the State had a plan to try and make up some of that revenue for the cities, based on a repayment calculation. Ferndale had growth in 2014 and 2015, but the calculation doesn't account for that growth and there also has not been a repayment from the state for FY 2017. Forms have been submitted and hopefully there will be some payment for FY 2018.

The third thing impacting DDA revenues is the library millage. Stubblefield provided some background on the library millage, noting that when it was a city library, there was a maximum of 2 mills they could collect. However, they became a district library and the laws allow for a collection of 3 mills, so it was put out for a vote and was approved to collect 3.5 mills for the library, which increased the library revenue. At the same time, legislation came through allowing libraries out of DDA/TIF captures. If the library millage were to stay at 2 mills, the DDA would lose \$25,000 for the year. Because they upped their mills to 3.5, the calculated loss can be argued to be \$45,000; If the law had not passed and the DDA TIF was still capturing the library millage, it would have captured about \$45,000. There can be a separate agreement with the library to allow the DDA to continue to capture, but it must be a written agreement. Looking at FY 2014, '15 and '16, the DDA total loss in that revenue was \$25,000.

Chair Bach noted that he had heard numbers upwards of \$70,000 annually for the library capture loss and Stubblefield explained that she did a 5-year projection based on taxable values provided by the county, estimating out all of the millages. The \$25,000 discussed for 2018 is if the library mills stayed at 2. If they were capturing from the 3.5 mills, that would result in \$45,000. Looking from last year to next, the loss is \$25,000. ED Hicks explained that when preparing the budget in March, it wasn't taken into consideration future potential TIF revenues that would come from projects that might be underway. Discussion was had on FerndaleHaus being a brownfield and how and when that impacts revenue. Chair Bach noted that he has heard that PPT is going to be eliminated altogether and wondered when that would be. Stubblefield indicated that this item has not been mentioned at the trainings she has been to recently and the focus seems to be on fixing the Headlee piece. Valuable information regarding this is included in the Save MI Cities presentation and she will see if there is video of the presentation to share with the Board. Director Raska inquired into how long a brownfield lasts and it was explained that Ferndale is internally capping it at 20 years, but can be lower, such as the case with FerndaleHaus.

Motion by Director Johnston, seconded by Director to receive the budget report. All Ayes, motion carries.

IV. Call to Audience

CED Director Jordan Twardy provided a quick update on parking, noting that Assistant City Manager Joe Gacioch would be returning on the 14th and be available to provide detailed updates. Work is ongoing with Star Trax on city-wide valet as well as working with Q&M and Pulp Detroit to coordinate messaging.

V. Community Organization Reports

A. Chamber of Commerce

Matt Zook

The Chamber is moving forward with their strategic plan and would like more than just member and business support. To that end, they invited the DDA ED and City CED Director to be part of the process. They are

working on putting together a retail association. The Chamber is looking for an administrative assistant and the job is posted on the MI Talent site. They are partnering with other Chambers on some upcoming events and also have two events planned for August 15th: a coffee connection at Athletico and a 5:00 ribbon cutting at T-Mobile. They are also working on putting together a restaurant association.

B. Ferndale School District

Dr. Dania Bazzi

Dr. Dania Bazzi introduced herself, noting that she had started as superintendent of schools in July. Development is beginning on the Wilson and Taft sites, with Wilson set to be demolished in a couple of weeks to make way for 72 townhomes, as passed by the planning commission. Taft will be single family homes. If anyone is interested in a walk-thru of either school, please contact her and she will make sure that happens. Last night was the first annual new parent night and they hope for the City to be more involved in the future. The event showcased the various things the schools have to offer as well as Ferndale Youth Assistance, Back to Basics and various other organizations. School starts in the district on September 5th.

VI. Action Items

A. Executive Director's Annual Evaluation

ED Hicks explained that this is the first year the evaluation has been done in this way and while it is several pages, the Executive Committee requested that it be kept brief. Ob duties are outlined in pages 1-11, with page 12 being the initial work plan. The Executive Committee meeting consisted of the ED, Chair Bach and Director Johnston. The hope is to start adding more specific items to the 5 strategic points from the plan and fine tuning others. Last year's evaluation was drastically different, this is more of an objective-looking evaluation.

Motion by Director Jacokes, seconded by Director Hennes to accept the Executive Director's Performance Evaluation and enter the record in to their personnel file. All Ayes, motion carries.

B. Executive Director's Employment Agreement

Changes to the ED Employment Agreement were highlighted in a memo attached to the Board packet, which the Board indicated they had all reviewed. Major modifications include date changes for annual contract term from anniversary date (October 19th of each year) to August 13th-June 30th for FY 2017-18 and then to coincide with the City fiscal year thereafter. This change makes budgeting and time tracking easier. Compensation and benefits include a 5% salary increase for the current year for all employees, then 3% for FY18-19 and 2% each year thereafter. Per the City Human Resources Department, language has been added regarding reimbursement for expenses and cell phone. Changes to severance recommend modification to include health insurance benefits during the same 3 month paid severance period in the contract. The final item discussed was time off and carry-over of time not used for the current contract term, dates which are being amended as referenced above. The ED currently receives 25 days of CTO/year and will increase to 30 days beginning 7/1/18. Current unused time of 13 days/104 hours would carry over into the current year. Further discussion was had regarding carry-over time, city standards and the fact that CTO includes vacation, sick and personal time combined and there are no separate banks of time for sick days. Chair Bach asked Finance Director

Stubblefield how the City handles it and Stubblefield explained that personal time is lost if not used, and sick time can be carried over, up to a capped maximum amount and vacation can accrue. Additional carryover time would need to Executive Board approval. Further discussion was had regarding how to address carryover moving forward.

Motion by Director Cupples, seconded by Director McMillan to approve the amended Employment Agreement with the DDA Executive Director subject to minor modification as recommended by the City of Ferndale's Human Resources Director for effectuation, with the additional language that allows for up to 60 hours of rollover CTO time at the discretion of the Executive Committee.

Discussion: Director Hennes inquired as to if there was any language about carryover or sun-setting. The Executive Board has approval on that, so it doesn't need Board approval. Further discussion was had.

All Ayes, motion carries.

VI. Presentations

A. Oakland County

John Bry, Oakland County Main Street Program Coordinator introduced himself and stated that he has made a point to visit all 23 Main Street communities over the past 8 months to determine what is working and what is not. The program is looking to be more proactive, but want communities to feel free to call any time for technical support, training, advice, etc. Alex Hrticu is the assigned liason for Ferndale and he and Bry will be our main points of contact. Changes are coming to the program, including the creation of a new tier to the program for select level communities that are in ore of a management phase. This tier, which they are looking into implementing in 2018, gives a greater degree of flexibility and the new philosophy is that as long as the basic cores of the Main Street program are being implemented, it won't be as rigid as in the past. One advantage is more money available to communities and businesses, including a possible community-wide façade grant program, economic vitality services and scholarships to travel to the national conference. Alex Hritcu, Assistant Main Street Coordinator, overviewed last years technical visit with Matt Wagner and noted that this years technical visit funds will contribute towards our communications plan. They also noted that there will be training next week in Franklin with Kahty LaPlante from National Main Street Center focusing on fundraising and volunteerism. November 6-7 training will focus on parking, placemaking and preservation. The 2018 calendar is already mapped out and discussions are being had with the MDA about doing a mini-metro development conference.

VII. Call to Committee Chairs & Board Members & Staff

OM Willcock provided updates on upcoming events Get Reel Outdoor Movies and Fido Does Ferndale.

Director Jacokes announced that the Improv Festival begins this week at Go Comedy, Ringwald and Local. There will be 240 performers in Ferndale

Chair Bach requested an updated as to where we're at in the strategic plan.

IX. Adjournment

Motion by Director Raska, seconded by Director McMillan to adjourn the meeting. All Ayes, meeting adjourned at 9:49 a.m.