



DOWNTOWN MANAGEMENT BOARD

May 21, 2019

A regular meeting of the City of Petoskey Downtown Management Board was held in the City Hall Community Room, Petoskey, Michigan, on Tuesday, May 21, 2019. The meeting was called to order at 7:00 P.M., and the following were

Present: S. Reginald Smith, Chairperson
Doug Buck, Vice Chairperson
Daniel Harris
Noah Marshall-Rashid
John Murphy, Mayor
Ben Slocum
Jessica Stubbs

Absent: Robin Bennett and Brittany McNeil

Also in attendance were Downtown Director Becky Goodman, City Manager Robert Straebel and Promotions Coordinator Andi Symonds.

Approve Consent Agenda Items

Downtown Management Board members discussed the first item of routine business, the April 16, 2019 regular and special meeting minutes; acknowledgement of bills since April 16, 2019; and acceptance of the April expense and income reports as prepared by the Downtown Director.

Upon motion made by Mr. Marshall-Rashid and seconded by Mr. Slocum, the April 16, 2019 regular and special meeting minutes were approved; acknowledgement of bills since April 16, 2019 that totaled \$109,661.23; and expense and income reports for April were approved. Said motion was unanimously approved as submitted.

Discuss DMB/DDA Organizational Concerns

The Downtown Director reviewed that Chairperson Smith submitted a report to the Board in regards to questions that arose at a previous Board meeting concerning the organizational structure of the DMB. Information was provided by the City staff and City Attorney. The following concerns were asked:

- The nature of the Board's director and others as "city employees" yet reporting to the Board and the ultimate responsibility for hiring and termination.
- The difference between the DDA and the DMB.
- The DDA/DMB duties, responsibilities for any TIFs in the city; especially as there may be some movement with impending development at 200 East Lake.
- The Parking Fund and the extent to which the funds collected are subject to Board discretion and/or the City Council. What about mid-year expenses that are not budgeted? When does Council need to be consulted?
- Can/should the dollars in the parking fund be restricted to certain uses?

The City Attorney provided an opinion that both hiring and termination issues are subject to the approval of City Council.

The City Manager reviewed that the differences between DDAs and DMBs is a taxation/assessment issue - DDAs can levy a millage but not special assessments, DMBs can pass special assessments but cannot approve a millage; that existing bylaws address this matter; and that there is both a DDA and DMB established in downtown Petoskey and both terms can generally be used interchangeably.

The City Manager reviewed that the DMB would weigh in on whether a TIF would be appropriate for 200 East Lake Street but Council has final say on whether a TIF gets approved.

The City Manager reviewed that the Finance Director provided information on the Parking Fund activities and funds; that the DMB/Director, if Director is given authority by DMB, may exceed line item amounts, as long as the fund does not exceed total fund budgeted amounts; that if expenses are going to exceed budgeted totals the budgets may need to be revised by the City Council; that the Parking Fund is classified as an Enterprise Fund and as such, is not required to amend their budget; that Enterprise Funds are business type activities that are generally based on user fees; that unlike the Programs & Services Fund, which is based on special assessments and is classified as a special revenue fund and would require a budget amendment; that the majority of its funds are from a legally restricted source; that when budget amendments are necessary, they are historically performed at year end, in December; that City Council is aware of larger items ahead of time and this would tend to include items not originally budgeted; that City Council is usually informed of any overruns; that the Parking Fund does not have any legal requirements that requires the revenues of the fund to be restricted either by state law, bond requirements, etc., therefore they are not legally restricted; that restrictions could be due to constitution, external source providers (grants), or enabling legislation; that unlike the Programs & Services Fund, which levies a special assessment (similar to a tax) for certain purposes, the assessments must be used for those approved purpose; and that City Council may designate a portion of fund balance to be used for a certain purpose, which can be approved or removed by motion, but this does not function like a restriction, since it does not come from an external source.

Board members expressed gratitude for the information and were especially interested to learn that hiring or terminating the Downtown Director, who reports to the DMB, requires approval of City Council.

Approve Downtown Holiday Parade Time Change

The Downtown Director reviewed that the Downtown Events Committee requested changing the Holiday Parade from a daytime event to an evening event; that the Committee researched risks of changing the time, competition with other area events, the impact on retailers in downtown and sought the opinion of Stafford's, the title sponsor; and that the parade be moved to 6:00 P.M. on the Saturday after Thanksgiving.

Board members commented on waiting for another month to solicit more merchant opinions.

Upon motion made by Mr. Slocum and seconded by Ms. Stubbs, the time of the Stafford's Downtown Holiday Parade was changed to 6:00 P.M. on the Saturday after Thanksgiving. Said motion was unanimously approved as submitted.

Discuss Fundraising

The Downtown Director reviewed that at the March meeting there was a request that the Board discuss fundraising; reviewed the purpose of special assessments and sponsorship opportunities; that when appropriate, grants could be submitted for additional funding; reviewed current events and sponsorship levels; and that fundraisers that require gaming licenses are not available to municipal organizations.

Board members discussed fundraising efforts and suggested sending out quarterly emails with sponsorship opportunities; that a phone call to potential sponsors could be advantageous; that moving forward more emphasis should be placed on this than in the past; and that comments will be forwarded and further discussed at the Marketing Committee.

Hear Information on Michigan Downtown Association Workshop

The Downtown Director reviewed that the Michigan Downtown Association (MDA) will be conducting the spring workshop in downtown Petoskey this year on Friday, May 31 and encouraged Board members to attend the workshop.

Approve Parking Committee Appointment

The Downtown Director reviewed that the membership guidelines for the DMB Parking Committee include the Board Chair, Vice Chair, two Board members and one member at-large; and that with the resignation of Ed Karmann from the Board, there was an opening for another Board member to serve.

Upon motion made by Mr. Marshall-Rashid and supported by Ms. Stubbs to appoint Board member Dan Harris to the Parking Committee. Said motion was unanimously approved as submitted.

Hear Committee Reports

The Downtown Director reported on behalf of the Parking Committee and that the full report was provided in the packet; that the smart meters had been ordered and scheduled to be installed before the end of June; that there have been requests from businesses for more employee parking areas now that the free parking at the Arlington Lot was unusable; and reviewed details on a court case and monthly statistics.

The Downtown Director reported on behalf of the Events Committee and that the full report was provided in the packet; reviewed updates on Summer Open House and Petoskey Rocks; and that dates and times for two event workshops will be conducted in May or early June to evaluate Downtown Events as discussed at a special DMB meeting.

On behalf of the Marketing Committee, the Downtown Director reported that the full report was provided in the packet; that a digital presentation was provided by the News Review; that the shopping map cover photo had been decided; that the raffle license for a fundraising project was denied by the State; and reviewed a revised budget to include print ads.

In Economic Enhancement, the Downtown Director reported that there was a discussion regarding absentee landlords, vacancies and blighted buildings. The Director reviewed that the City Attorney provided an opinion that there was no legal way to force a property owner to lease their property; and that it was stated in the enabling legislation for principal shopping districts and special assessments that the property should be assessed for services received, not assessed punitively.

Board members also inquired on code, inspection and safety of older buildings. Board members asked that the City Manager get an opinion from the City Attorney concerning code and life safety.

Hear City Staff Report

The City Manager provided updates on various projects throughout the City.

There being no further business to come before the Downtown Management Board, the meeting was adjourned at 9:02 P.M.