

DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET

CITY OF OTSEGO

April 8, 2019

7:30 A.M., Otsego City Hall

A Regular Meeting of the Otsego Downtown Development Authority (D.D.A.)/Main Street Board was held Monday, April 8, 2019.

Chairman Bennett called the meeting to order at 7:30 a.m. with the following members present: Ben Pobocik, Cyndi Trobeck, Bruce Meles, Scot Reitenour, Stacey Withee, Sue Cramer, and Kim Rayburn. Absent: Toby Esterline. Also present: Main Street Manager, Joel Saukas; City Manager, Aaron Mitchell; DPW Superintendent, Mike Bosch; Dave Rayman, Economic Development Director; and Finance Director, Matthew Storbeck.

APPROVAL OF REGULAR MINUTES

Member Meles moved to approve the March 18, 2019, minutes, seconded by Member Reitenour. CARRIED

TREASURER'S REPORT

Member Pobocik moved to approve the March 2019 Treasurer's Report, seconded by Member Withee. CARRIED.

COMMITTEE CHAIR UPDATES

Scott Reitenour, Design Committee – he gave an update on the following: Dam Removal, Crowd Funding for the Pavilion and the Riverfront Project.

Kim Rayburn & Main Street Manager Saukas, Organizational & Promotions Committees – No update.

Stacey Withee, EV Committee – No update.

CONSIDERATIONS

A. CONSIDERATION TO APPROVE THE 2019-2020 MAIN STREET BUDGET

At this time, Finance Director Storbeck advised the Board that there are two options for the 2019-2020 DDA Budget. He explained the following:

Scenario One - did not include any Capital Improvements (Pavilion). He reviewed the cash flow and explained the possible shortage for personnel costs, until the State's payment is received in October.

Scenario Two – includes the Capital Improvement of the Pavilion. He stated that this includes: Crowd Funding \$50,000; Foundation - \$50,000; MEDC - \$50,000; Loan from the City - \$75,000; for a total of \$225,000. He explained that the year-end balance of \$42,953, would not cover personnel costs.

Chairman Bennett commented that the City Commission would not like Scenario Two unless the Board finds a way to come up with more money. A lengthy discussion took place regarding various ways to raise more funds for the Pavilion Project. Main Street Manager Saukas explained the process of Crowd Funding. Member Meles suggested that “the Board should raise what they can and build what they can”. He suggested that fund raising should begin on schedule, if Scenario

Two is attempted. Various ways to cut the budget were discussed which included cutting the DPW's line item. Finance Director Storbeck stated that most of the DPW's hours are maintenance in the DDA District.

City Manager Mitchell commented that there are MDNR grants available and the EPA is interested in assisting, in future years. Crowd Funding was again discussed and it was brought up that it could hurt future fundraising if the money is not raised and then has to be given back to the donors. Member Withee suggested to go to the public when funds are needed to put the funding "over the top". City Manager Mitchell suggested that having no IFT funds, the Pavilion Project should be added to the City's Park and Recreation Plan, which we have begun, but will take a while, which will generate more funding opportunities through the MDNR.

Member Trobeck commented that this needs to keep moving forward. A lengthy discussion took place on how the DDA/MS Board should move forward. The consensus was to fundraise through Crowd Funding; create a "big movement" in the community; market it; make public – now; find "influencers"; and how to give people who donate credit.

It was suggested to possibly complete the Pavilion in phases. Main Street Director Saukas commented that Crowd Funding cannot be done in phases. Member Meles suggested putting in the poles and roof at an approximate cost of \$100,000 – giving the people something tangible to hold on to. Finance Director Storbeck stated that if the scope of the project is reduced there are five items in the budget that need to be looked at and it needs to be realistic. The potential loan in the amount of \$75,000, would be repaid over five years at approximately \$17,000, per year.

A brief conversation took place regarding the EPA's use of the area for the dam removal. City Manager Mitchell commented that the EPA will be using the area and after they are finished they will put the area back together and assist us.

Finance Director Storbeck stated that he will be presenting the DDA/Main Street Budget Workshop at the next City Commission Meeting and needs to know the direction the DDA/MS is taking.

DPW Supervisor Bosch explained the process of doing the pavilion in phases. He stated that he didn't know how much lower the cost would be if the floor was not poured. He stated that there is major ground work that needs to be completed. In-kind donations were discussed and also using the DPW for some of the work. After a long discussion, the Board recommended that the Pavilion expense be reduced from the initial amount. Member Meles commented that the Board will know by November 2019, if the project is even possible.

Member Meles moved to make the following change - reduce the expenditure of the Pavilion from \$300,000 to \$200,000; Revenue – Contribution-Foundation from \$50,000 to \$25,000; Revenue – Contribution-Crowd Funding \$50,000 to \$75,000; Gus Macker Revenue to \$70,000; Gus Macker Expenditures to \$60,000, seconded by Member Pobocik. CARRIED.

B. CONSIDERATION OF MAIN STREET SALARY RAISE

A brief discussion took place regarding the budget amount for the Main Street Manager. Chairman Bennett commented that other City employees are slated to receive a 2.4% raise from 2019-2020. Member Meles moved to recommend a 2.4% raise for the Main Street Manager, seconded by Member Reitenour. CARRIED.

DISCUSSION ITEMS

A. MUSEUM BASEMENT

Main Street Manager Saukas presented the Board with two estimates from companies that could fix the leakage in the Museum basement. At this time, the DDA/MS does not have the funds for the project. Main Street Manager Saukas commented that a market analysis is being done on the museum this week.

B. NATIONAL MAIN STREET CONFERENCE

Main Street Manager Saukas, Member Cramer, and Member Trobeck briefly reviewed their notes and takeaways from the National Conference that they recently attended in Seattle, Washington. Member Trobeck stated that she would send her notes to the Board.

DDA/MAIN STREET MANAGER'S REPORT

Main Street Manager Saukas provided a written report.

ECONOMIC DIRECTOR REPORT

Economic Development Director Dave Rayman provided a written report.

MEMBER COMMENTS

None.

PUBLIC COMMENTS

None.

The meeting was adjourned on a motion by Member Meles seconded by Member Withee.
8:57 a.m.

Angela M. Cronen, MMC
City Clerk