



VIRTUAL Monthly Meeting of the Downtown Development Authority (DDA) Board of Directors
Downtown Development Authority Meeting
THURSDAY, NOVEMBER 19, 2020 @ 8:00 AM

1. ROLL CALL

CALL TO ORDER: 8:02 am

MEMBERS PRESENT: Jacki Smith of Ferndale, PJ Jacokes of Pleasant Ridge, Nathan Martin of Ferndale, Sarah Brown of Ferndale, Jerome Raska of Ferndale, Blake Scheer of Ferndale, Chris Johnston of Ferndale

MEMBERS ABSENT: Janice Semma, Mayor Melanie Piana

STAFF PRESENT: Lena Stevens, Executive Director; Sommer Realy, Engagement Manager; Reilly Coleman, DDA Administrative Assistant, Sadie Quagliotto, Social Media Manager

GUESTS PRESENT:

- Dan Antosik, DPW Deputy Director
- Sheryl Stubblefield, Finance Director
- Steven Mann, Miller Canfield

2. APPROVAL OF AGENDA

Executive Director Lena Stevens stated recommendations to amend the agenda. There is a new resolution that will be recorded as 3), the regular agenda will be moved up, and items 2) a. and 2) b. will be switched.

Motion by Member Jerome Raska, seconded by Member PJ Jacokes to approve the agenda as amended.

All ayes, motion carries.

3. REGULAR AGENDA

a. Remote Meetings Discussion

Steven Mann of Miller Canfield provided an overview of the current status regarding remote meetings. Ability to meet remotely is likely to be continued. Overview of legal rules includes meeting information being posted ahead of time, addressing disability needs prior to meeting, allowing public attendance, board members ability to hear and communicate with one another, and the ability for public comment are required.

Motion by Member Blake Scheer, seconded by Member Jerome Raska, all in favor.

b. Contract for Landscaping and Maintenance with the City of Ferndale Department of Public Works in the amount of \$75,000 for the remainder of FY21, and \$172,000 for FY22. Additional approval for Addendum A for Snow Removal and De-Icing Services as a pilot program with a maximum budget not to exceed \$40,000 for FY21.

Executive Director Lena Stevens stated there is a need to shift focus of the maintenance schedule to include capital items and a renewed focus for litter management. The scope doesn't change, just the focus. There is a proposal to the board for approval of a 19-month contract. The current contract is in a calendar year time frame, but the budget is fiscal year. It's best to be in line with the budget process now. New contracts proposed

for each fiscal year with optional extensions. Additional addendum for ice and snow removal services. This service is typically offered hourly which offers an additional benefit. DPW is assessing staffing levels and may be unable to fulfill. The options are to either table this and decide at a later date or to authorize Director Stevens to make the decision at a later date.

Member Sarah Brown asked if there were any backup options for snow and ice removal. Director Stevens answered there are no other options researched at the moment because this service has never been offered before. No other quote requests have been completed at this time.

Member Blake Scheer stated his support for the DPW contract. Snow removal is a great added bonus. Director Stevens asked if he was okay with granting her authorization. Member Scheer stated he would like to get additional board members' insight due to his limited remaining time with the Board.

Member PJ Jacokes extended his support for the contract and asked if there are additional options to offer the funding in place of snow removal service if it doesn't occur.

Member Jerome Raska offered his support asked if there could be additional options for snow removal service. It would be a nice option for businesses.

Member Chris Johnston agreed and seconded the opportunity for snow removal for businesses.

Member Nathan Martin agreed with group consensus and asked about discounted rates for snow removal for businesses city-wide if they request to be involved.

Chair Jacki Smith extended her authorization to Director Stevens.

Director Stevens stated she is noting the interest of the group for snow removal services. It is best to operate this year as a test pilot since it is a new service, next year can incorporate buying-in service.

Motion by Member Jerome Raska, seconded by Sarah Brown, all in favor.

c. Budget Amendment for FY21 to Reflect Changes Related to COVID-19

Executive Director Lena Stevens stated this aspect of the budgetary process typically occurs in January; however, this correction is taking place earlier. COVID-19 changed internal operation and budget priorities. Director Stevens reviewed internal projects that received more and less attention. Revenues remain unchanged and more funding was brought in this year. The budget for last year operated very conservatively. The majority of the budget goes to staff and maintenance. The overall budget is increasing to add additional Downtown amenities and accounting for new projects that are carrying over to next year. Priorities have shifted from website and in-person events to outdoor and virtual events. Overall goal is to gain DDA approval to input into City's BSA system.

Finance Director Sheryl Stubblefield stated there hasn't been many shifts in property values. There has not been a major hit to the biggest area of taxing and bulk of revenue is safe to leave at current level. Revenue is a concern for everyone coming from the State, but DDA is not as impacted.

Director Stevens asked if the City's budget amendment process is on track. Director Stubblefield replied it is on track in all departments.

Member PJ Jacokes asked about a clarification amount for the fund balance. Director Stevens stated the initial estimation for this year included additional funding from savings. This did not happen because of COVID-19 and the additional funding the DDA received. Additional funds were not necessary.

Member Sarah Brown asked about the long-term emergency funding plan. Director Stevens clarified it will include things like outdoor activation and public art in assistance with economic developments.

Member Jerome Raska stated he is confused about budgeting and funding and how this differs from previous reports. Director Stevens stated this topic will be revisited. The main change is the new Executive Director and additional legal advice.

Motion by Member PJ Jacokes, seconded by Member Jerome Raska, all in favor.

4. PRESENTATIONS

a. Legal Opinion on Using Public Funds for Private Purpose

Executive Director Lena Stevens provided an overview of the matter of public funding for private use. The City of Royal Oak's legal document states that in the Michigan Constitution, public funds cannot be used for private purposes. Steven Mann of Miller Canfield stated there is one point of clarification regarding marketing, which cannot be overlooked. Director Stevens wants to understand the liability and ramifications of this policy.

Steven Mann of Miller Canfield stated this is a historic issue that has been questioned for many decades. Many DDA's have façade grants or loan programs that are recommended by Downtown Planning Consultants; however, this doesn't make it legal. The main reasoning is the Constitution, which refers to the prohibition of lending credit, states that municipalities cannot give away public funds for private purposes, unless authorized by law. However, this authorization is very limited. One example of authorization is if a business seeks improvements to sell a space, the DDA can loan this money. The DDA has no general authority to grant public funds.

Director Stevens asked if Ferndale is a singular city that follows this interpretation. Mann stated there are many attorneys that focus on municipal finance and share the same view, while others consider it to be feasible. It comes down to Constitutional provision.

Director Stevens asked the legal opinion of seeking state-level permission to aid in COVID-19 recovery and who would be the best point of contact.

Mann stated the Downtown Association and the Michigan Municipal Leagues are a good place to start. However, there may be some resistance. The DDA will need an amendment to permit this.

Member Sarah Brown asked what the latest repercussions for municipals have been regarding façade programs. Mann stated there have not been any to date, but the concern is the program is not defensible. Under ACT 57, the Department of Treasury has the authority of focusing the act, and could command to audit the DDA's books, with or without a direct complaint.

Member Brown asked if there is a potential to push forward given the circumstances of a global pandemic. Mann answered that it is not feasible. Because the orders are coming from the Department of Health and Human Services, this is not likely given their relationship with the Governor.

Finance Director Sheryl Stubblefield stated she anticipates the State doing some type of audit to ensure everything is being identified properly. Multiple webinars have discussed COVID money, and how state funding has been removed from local municipalities to give us an equal amount of money. More reports are required to use that money, and there are very stringent guidelines.

Chair Jacki Smith suggested assisting business owners with training to help run their business, as it is of great value.

Director Stevens stated she understands the frustration, however, it does foster a sense of creativity. PPE Marketplace is a great example. Main Street Oakland County money and a technical assistance grant was used for this. This has helped us stay in accordance with guidelines.

Chair Smith stated the façade program does not help small businesses, as very few are able to take advantage of the opportunity. There were years where no one applied, and then it seemed as if everyone did all at once.

b. Hallowindow Award Winners

Executive Director Lena Stevens stated her feelings of success toward the Hallowindow event, the first event to utilize any public voting. The total votes were 800, with half of the participants providing their contact information. Special thanks are extended to Engagement Manager Sommer Realy and Administrative Assistant Reilly Coleman for their involvement. Many businesses said this was a positive lift in spirits for staff. One in particular mentioned how their family was able to get involved. Engagement Manager Sommer Realy showed the award that will go to the Downtown winner, Margaux and Max. Kandiss Ecton of State Farm won the city-wide votes. Mayor's Choice were Brain Meets Brawn Fitness, Hook and Eye Alterations & Vintage, Modern Natural baby, and Ferndale Project.

c. DDA Executive Director Updates

Executive Director Lena Stevens provided an overview of Unbox the Holidays, the newly announced shop local promotion. The event went live on November 18, and advertising begins November 19. The idea to ditch big box and shop Ferndale originated from Joy Wells, Ferndale Area Chamber Executive Director. Studio Incognito, a local female-owned graphic design business, generated the website. There are four main pages, including an online shopping page, gift card page, takeout and delivery page, and a contact page. Ferndale Community gift card powered by Yiftee has launched and is in process and is live on website. Promotion will come from Michigan Public Radio and Pitch Black will generate target ads via Google Business and social media.

Chair Jacki Smith asked how interested business should run activation card for community Egiftcard. Director Stevens instructed it is via manual entry. Each business has a unique activation card to run manually as a debit card through POS system.

Member PJ Jacokes asked if online businesses are able to participate in gift card program. Some sales are through third-party platforms and are unsure if gift card system can operate within this. Director Stevens stated she will note this and reach out to Yiftee for clarification.

5. COMMUNITY REPORTS

Reports from community organization representatives in attendance, including but not limited to Ferndale Area Chamber of Commerce, Ferndale Area District Library, 8 Mile Boulevard Association, etc.

- a. No community reports

6. CALL TO AUDIENCE

- a. Engagement Manager Sommer Realy discussed re-branding of holiday events given the differences due to COVID-19.

7. CONSENT AGENDA

- a. Approval of October Minutes
Motion by Member Jerome Raska, seconded by Member Nathan Martin.
All ayes, motion carries.

8. CALL TO COMMITTEE CHAIRS, BOARD MEMBERS, & STAFF (note more than 3 minutes)

- a. Member Sarah Brown asked if there were any interested applications for board members. Executive Director Lena Stevens stated there are four applications so far, and another push will occur. The process will operate different this time. Director Stevens will call each candidate individually to explain job responsibilities, and then Mayor Melanie Piana will conduct interviews.
- b. Member Jerome Raska invited everyone to visit Blumz's new mural on the exterior wall of the business. The artist did everything free hand. Engagement Manager Sommer Realy stated she will add this feature to the list of Downtown art.
- c. Chair Jacki Smith reminded board she will not be Chair after December. Open board positions include Chair, Vice Chair, and Secretary.

9. ADJOURNMENT

Motion by Member Sarah Brown, seconded by Member PJ Jacokes to adjourn the meeting at 9:54 A.M.

All ayes, motion carries.