

**MAIN STREET/DOWNTOWN DEVELOPMENT AUTHORITY**  
**WEDNESDAY, JANUARY 11, 2023 – 8:30 A.M.**  
**MEETING HELD AT CITY HALL – CITY COMMISSION CHAMBERS**  
**City of Sault Ste. Marie, Michigan**

**MEETING MINUTES**

**Present:** Ray Bauer – City Commission Liaison  
Ray Bell  
Brian Chapman  
Craig Cooper  
Jessica Johnston  
Debbie Jones  
Sue Anne Wilkes  
Allison Young

**Absent:** Tom Fornicola

**I. Routine Agenda Items**

**1. Call to Order**

Meeting was called to order at 8:30 am.

**2. Roll Call**

Attendance was taken as noted.

**3. Approval of Minutes**

**December 14, 2022, Regular DDA Board Meeting Minutes.**

Approval of the December 14, 2022, Regular DDA Board Meeting Minutes has been moved to the next meeting.

**4. Approval of Agenda**

***Moved by Ray Bell, supported by Jessica Johnston, to approve the January 11, 2023, DDA Board meeting agenda. The motion passed unanimously.***

**5. Declaration of Conflicts of Interest.**

There were no conflicts of interest.

**II. DDA Financial Audit Presentation**

**Christina Schaub, CPA – Roslund, Prestage & Company, PC**

Schaub presented the DDA Financial Audit to the Board. When reviewing the Independent Auditor's Report, Schaub noted that the financial statements were presented fairly and in accordance with the Generally Accepted Accounting Principles. The new accounting guidance,

GASB Statement No. 87, Leases, was adopted during 2022. Schaub reviewed the Balance Sheet, which shows the total liabilities and fund balance of \$514,895. Director Jones asked about the special assessment receivable. Finance Director Collins explained the special assessments were billed for five years, which is why they are listed as receivable. The Statement of Revenues, Expenditures, and Changes in Fund Balances shows a positive net change in the DDA fund balance of \$21,693. The DDA fund balance at the end of the year was \$59,659. Both the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance are reported on a short-term, modified accrual basis.

The Statement of Activities shows a change in net position of \$205,387. Jones asked about the difference in property taxes from fiscal year 2021 to fiscal year 2022, shown in the Statement of Changes in Net Position. The difference is due to the State Chart of Accounts change. At year-end, the TIFA 1 fund had a deficit fund balance of \$749, which will be eliminated as the debt guarantee liability in that fund is reduced. Schaub stated that no deficiencies were identified during the DDA Financial Audit. Director Wilkes indicated that she would like to receive reporting on the Capital Projects Fund in the monthly DDA Board packet moving forward. Collins noted a corrective action plan for the TIFA 1 negative fund balance will be provided at next month's meeting. Discussion was held on DDA assets.

### III. Budget Items

#### 1. **Budget Review – Budget Ending 11/30/22** **Kristin Collins, Finance Director**

Collins provided a review of the budget, ending 11/30/22. Total revenues for the TIFA 1 fund were at 27% because of the tax shortfall billed in April. The DDA received the Match on Main Grant and will receive the funds in March. Sprecker noted that a budget amendment to decrease sidewalk plowing will be required in the future. The deadline for downtown businesses to opt-in to sidewalk plowing is January 13<sup>th</sup>. Jones asked if there is an excess in funds after the maximum amount of \$38,700 is collected from the downtown businesses, can the remaining funds be rolled into the following year's budget. Collins noted that the Board has the option to set aside a reserve for the excess funds.

Discussion was held on the DDA operating fund expenditures. The total DDA operating expenditures accounted for 21.27% of the budget used. Sprecker and Collins will create budget amendments for expenditures, such as wages and health insurance. Discussion ensued on the Downtown Dollars program. At next month's meeting, a motion will be made to write off the Downtown Dollars and terminate the account. This will result in revenue. The DDA operating funds ending balance is \$51,422.

#### 2. **Sign/Mural Grant Budget – ACTION**

Discussion was held on the Sign Grant and the Mural Grant budget. The Mural Grant budget was \$4,308.00, while the Sign Grant budget was \$2,452.13.

***Moved by Sue Anne Wilkes, supported by Craig Cooper, to bring the Mural Grant budget to \$5,000. The motion passed unanimously.***

Sprecker explained that the Engineering Department brought up the Vibrancy/ Tourism Grant, explaining that funds fell short for ordering the signs. If eleven signs are ordered

instead of sixteen, no additional funds would be needed. It was discussed that all sixteen signs should be ordered as the signs flow together to drive business downtown. Additionally, traffic studies were conducted to determine where the signs should be placed.

***Moved by Ray Bell, supported by Jessica Johnston, to approve 16 signs and transfer funds from Sign Grant to Vibrancy Grant to \$1,400 to cover sign costs. The motion passed unanimously.***

***Moved by Sue Anne Wilkes, supported by Jessica Johnston, to donate \$2,000 from the Sign Grant to Soo Theatre Sign Restoration. The motion passed unanimously.***

### **3. Budget Amendments Update – Stephanie Sprecker, DDA Director**

- a. Sprecker discussed budget amendments moving forward. She will bring other budget amendments to the board after meeting with Finance Director soon.

## **IV. Action/Consensus Items – Stephanie Sprecker**

### **1. Extension – Event Work Plan**

Discussion was held regarding the extension of Event Work Plans. These will be presented at next month's meeting.

***Moved by Sue Anne Wilkes, supported by Craig Cooper, to extend the Event Work Plans until February. The motion passed unanimously.***

### **2. New Match on Main Street Funding Announcement & Internal Review Committee**

In the last round of Match on Main, the DDA received one grant award. MEDC just announced another round of funding for \$25,000. Each organization can submit two applications, but only one business will be considered. Applications are due to the DDA by February 1<sup>st</sup>. Discussion was held on the possibly adding local criteria for the applications. The Board did not wish to enforce these criteria for the applicants. An internal review committee was created with Ray Bell, Jessica Johnston, and Debbie Jones, if needed. Brian Chapman will also be included as well as Stephanie Sprecker. This will take place on Monday, 2/6/23. A recommendation will be brought to the next board meeting for two businesses.

## **V. Director's Report & Updates – Stephanie Sprecker**

### **1. New DDA Board Members Update**

Confirmation of new DDA Board members will take place with the City Commission on January 16<sup>th</sup>.

### **2. Snow Removal Updates**

Sprecker provided updates on snow removal. Stephanie has seen great results with the opt-ins for downtown snow removal. Sprecker noted that some large entities that have chosen to opt-out in the past have opted-in this year.

### **3. T-Mobile Hometown Grant Status**

Sprecker explained to the Board that due to workload and events, the deadline was not met for the T-Mobile Hometown Grant application in December. This is a quarterly grant that will stay on Sprecker's radar for next round. Discussion was held on a new canopy for the Farmers Market. The Department of Public Works provided a quote for the repair of the canopy, which would cost between \$7,000 and \$8,000.

## **VI. Transformation Strategy Plan Updates**

### **1. Promotions Committee – Jessica Johnston/Stephanie Sprecker**

#### **a. New Year's Eve Celebration Success**

Johnston explained that the New Year's Eve Celebration was a huge success. Pat's Foods donated marshmallows for the event. Sprecker noted the success with sponsorship fees, totaling over \$4,000. Bauer suggested renting portable restrooms next year to be placed near the beer tent. Sprecker explained that her hope for the New Year's Eve Celebration was to get more people downtown earlier in the evening and to stay later in the night, which is exactly what occurred.

Discussion was held on a sponsorship package in support of the DDA. Jones suggested a one-time ask per year for donations. Cooper added that is when the DDA Board has received the most donations.

#### **b. Pub Crawl – Thursday, February 2, 2023**

Discussion was held on the Pub Crawl, taking place on Thursday, February 2, 2023. A design for the shirts has been approved. Sprecker is currently working on getting the shirts ordered and getting advertising in place.

#### **c. Vintage Snowmobile Event/Placement – Friday, February 3, 2023 Partnership with the SCVB & Chamber of Commerce**

Discussion was held on the Vintage Snowmobile Event/Placement, taking place on Friday, February 3, 2023. The event will be held at the Farmers Market from 2 p.m. to 6 p.m.

#### **d. Music in the Park Planning**

Planning for Music in the Park will start this month. A meeting will be scheduled.

### **2. Organization Committee – Sue Anne Wilkes**

Wilkes informed that retailers will be meeting on January 18<sup>th</sup>. After which, she will schedule a meeting with business owners. Wilkes requested financial information, such as a detailed report of inflows and outflows and revenue and expenses, to share with the organization committee.

### **3. Design Committee – Stephanie Sprecker**

Sprecker indicated that there are no new updates. She will work with Wilkes to find volunteers.

### **4. Economic Vitality Committee – Craig Cooper**

Cooper reported that he is in the process of tracking current contact information for downtown businesses. Sprecker is also working on contact information, focusing heavily on vacancies.

## **VII. Public Comment and Announcements**

There were no public comments or announcements.

## **VIII. Board Comments and Announcements**

Wilkes requested receiving DDA Board Meeting Minutes as quickly as possible. Wilkes also suggested having DDA Board Secretary, Johnston, take the minutes for upcoming meetings. Jones expressed what a tremendous job Sprecker is doing and thanked her for all the work she does for the DDA.

## **IX. Adjournment**

***Moved by Sue Anne Wilkes, supported by Ray Bauer, to adjourn the meeting at approximately 10:50 a.m. The motion passed unanimously.***

Respectfully submitted,

ALLISON YOUNGS, DDA Chair

blm