



**Ferndale Downtown Development Authority
Board of Directors Meeting**

Thursday, February 13, 2020

8:00 A.M.

Ferndale City Hall
300 E. 9 Mile
Ferndale, MI 48220

Minutes

1. ROLL CALL

CALL TO ORDER: 8:03 am

MEMBERS PRESENT: Jackie Smith, Janice Semma, Nathan Martin, Sarah Brown, Chris Johnston, Blake Scheer, PJ Jacokes, Mayor Melanie Piana

MEMBERS ABSENT: Jerome Raska

STAFF PRESENT: Lena Stevens, Sommer Realy

GUESTS PRESENT:

- Dustin Leslie, Mike Pierce of Charles William Group and Jessie Bates of JSB Squad
- Jon Moses, Ideation Orange Creative Director
- Jordan Twardy, Community and Economic Development (CED) Director
- Carlos Kennedy, DPW Director
- Sheryl Stubblefield, Director of Finance
- Joseph Gacioch, City Manager

2. APPROVAL OF AGENDA

Motion by member Nathan Martin seconded by member PJ Jacokes to approve the agenda.

All ayes, motion carries.

3. COMMUNITY REPORTS

4. CALL TO AUDIENCE

5. PRESENTATIONS

a. Meeting Kickoff Updates from Executive Director

Executive Director Lena Stevens welcomed newest appointed DDA board member Sarah Brown, owner of Cross Fit at 160 Vester Ave in Ferndale.

Stevens mentioned that clarification is needed on the number of members who should sit on the DDA Board of Directors. Currently there are eight board members in addition to the Mayor, and state law allows up to twelve. A decision will be made during upcoming by-laws update on the on number of members that are ideal to improve transparency.

Banners from lampposts were removed in the downtown area. Many were outdated and extremely faded. There are no current plans for replacement, but it will be considered as the branding and outreach efforts commence next fiscal year.

A business newsletter was launched to help improve engagement and promote open lines of communication. Open rate has increased with more outreach related to The dot in recent months, however click rate remains low. Staff will monitor and attempt to modify content in the future to engage more readers.

A monthly business meetup will be launched on February 25th business meetup. It will be regularly scheduled for the last Tuesday of every month at 9am at Affirmations.

Discovery Walks have been a success. DDA staff Sommer Realy schedules individual meetings with business owners and keeps track of information regarding downtown maintenance collected. This information is relayed to the Department of Public Works during bi-monthly meetings.

b. Downtown Maintenance Update

DPW Director Carlos Kennedy has been speaking with member Raska regarding the hanging flower baskets. A list of plant material has been supplied with modifications to the previous structure. Next week the list will be discussed, and final decisions will be submitted to nursery. The street poles they attach to have weight limits that need to be considered. Larger basket look can be achieved by different plant material and improved watering schedule. Flower baskets are installed Memorial Day weekend around the 23rd of May.

DPW downtown maintenance team has been restructured. Director Kennedy introduced Derrick Raddel as the team leader who has extensive training in plant health and is familiar with the DDA region. Large projects for 2019 included substantial work to the garden beds at Nine Mile and Woodward intersection. Landscaping at the Withington wall also needed substantial improvement and additional seating was added.

Board Member Chris Johnston thanks Director Kennedy for the collaborative efforts to keep downtown maintained.

Board Chair Jackie Smith asked about when the trees are replaced. Director Kennedy confirmed that trees are replaced in the spring as necessary. Chair Smith asks if there an alternative to planting trees, something that could withstand the salt and winter damage. Director Kennedy will explore alternative options to replacing trees.

6. CONSENT AGENDA

- a. Approval of the Minutes of the Regular Meetings held January 9, 2020
Motion by member PJ Jacokes seconded by member Janice Semma to approve the consent agenda as presented.
All Ayes, motion carries.

7. ACTION ITEMS

a. Budget Workshop – Fiscal Year 2020 Midyear + 5 Years

Executive Director Lena Stevens explained how the budget process works with the City of Ferndale and how the DDA can align their budget process with that timeline. Each triennial budget includes updates to the current fiscal year, 3 years of proposed budgets, and 2 additional years of projections. November/December will be the time for the DDA to begin discussing priorities for the next fiscal year. The Director will supply a proposed budget in January and host workshops and meetings in February and March. In March, the DDA will vote to recommend their budget be adopted by City Council. Following City Council adoption, the DDA Board of Directors will formally adopt the budget.

Director Stevens provided a spreadsheet outlining the proposed budget and conducted a presentation to review the priorities and goals. She noted that her approach to budgeting is conservative in that revenues are estimated lower and costs are estimated higher. Additionally, items have been shifted to more appropriate general ledger codes to improve consistency and transparency. There was significant variability in expenditure coding, which should stabilize with additional detail added to the budget, however it does make year to year comparisons in each category challenging.

Board Chair Smith asked how much has been spent in parking mitigation so far. Director Stevens explained that \$50,000 was budgeted, and approximately \$30,000 has been spent to date. An additional \$19,000 was spent on business engagement from a budget of \$25,000. Director Stevens has proposed that an additional \$4,000 be included in the current fiscal year to and \$8,000 next year to continue the DDA's contribution to this effort. These funds can be used to help market The dot once it is open to the public. Director Stevens noted that a business manager expressed a positive opinion about the impact of the communications related to The dot in recent months.

Board Member Sarah Brown asked if the Downtown Ferndale business page is that still being used. Director Stevens is reviewing the functionality of this page to develop a recommendation. Member Brown expressed the importance of a private community message board that is for the business community.

Board Member Brown asked if business turn over and new leases are being tracked. Director Stevens confirmed that statistics are sent every quarter to Main Street Oakland County, though the tracking and reporting process needs improvement. Member Brown inquired on what happens when a business leaves and if there is an exit interview. Community and Economic Development (CED) Director Jordan Twardy addressed the board and explained the channels and the plan in place moving forward. It has been informal to date and CED is working towards formalizing the process. A formal presentation on Open in Ferndale will take place in the next couple of months and the DDA Board will be asked for their input. This service implantation will flatten the communication and offer an organized, easy to understand platform. Open in Ferndale is being integrated now, presentation will take place before April.

Director Stevens explained the projected expenditures. Staff levels will be reduced to 2 full time employees, with contractors being used for specialized services like graphic design and social media management. The term Downtown Experience will be used to refer broadly to maintenance, sidewalk repairs, city scape funding, public art, etc. Director Stevens explained that operational expenses should be lowered through savings such as elimination of the storage unit, and changes to the CRM system.

Director Stevens reviewed the goals and projects included in the proposed budget: branding campaign, new website, business guide, annual report, new events, more business training opportunities, street furniture/art, social media improvements, policy reviews with the City of Ferndale and and collaborative project with the Ferndale Public Library. Mayor Piana noted that there may be potential on collaborating with the Parks & Recreation department for the library courtyard.

The Fiscal Year 2020 budget proposed using \$485,000 of fund balance, while the Fiscal Year 2021 budget proposed using \$100,000 of fund balance.

Revenue collected fluctuates and Finance Director Sheryl Stubblefield explained why regarding the PPT loss reimbursement. The State of Michigan passed a law giving exemptions to small business. Each year she supplies a report to the county that showing the local impact of the exemption, and the county calculates a reimbursement. Director Stubblefield expressed the uncertainty of the funds being collected. This year's funds have already been collected, so they are included in the revised budget. However, this revenue is not included in future projections due to variability. Interest income is also not included as net unrealized gains can negate that revenue.

Director Stevens mentioned that by the end of March, the DDA Board needs to recommend the adoption of budget to council. Board Chair Smith confirmed the board can request one on one meetings with Director Stevens prior to the March board meeting to discuss budget. DDA Board will use the regularly scheduled March meeting to conduct a second budget workshop and schedule a special meeting to recommend adoption to the City Council.

b. Schiffer Park Contribution Increase Request

Director Stevens presented a request to increase the funding allocated for the Schiffer Park Improvement Project from \$75,000 to \$125,000. She noted that the second round of proposals have significantly outpaced the project budget. The internal project team has been working together to re-evaluate the project scope and provide alternates that are in line with the original design while reducing the overall project cost. The alternates also provide the opportunity for a second phase of construction at a later date.

Director Stevens included a contribution of \$125,000 in the Fiscal Year 2020 Mid-Year revisions presented to the Board of Directors earlier in the meeting. It is included in Contributions to General Fund 248-000-965.100. The original contribution for this project was \$75,000, included in the Capital Outlay section of the Fiscal Year 2019 Budget. However, this contribution was not moved to the Fiscal Year 2020 Budget when

construction was delayed. In order to meet the construction deadline, the contract must be presented to City Council at the February 24, 2020 meeting.

Board members reviewed design and discussed proposed changes including removing the mounded hill, creating a center space for weddings or other events, or moving the future seat platform closer to Nine Mile Road. Director Stevens noted that there is no opportunity for redesign given the project schedule, but the requests will be noted. Board Member Scheer asked that the DDA logo be included on the signage at the park.

Board Member Brown asked if Hamilton Anderson is the same company that the DDA has been experiencing issues with on CIP plan. Director Stevens confirmed this company was used for both projects.

Director Stevens discussed that Parks & Recreation Director, LaReina Wheeler has been managing the Schiffer Park project, coordinating the value engineering process in order to save costs. The original design included a seat platform and it has been redesigned to incorporate a turfed mound. Total current project cost is approximately \$450,000 plus an additional cost for professional fees of \$30,000-\$40,000. The current project budget is set at \$358,000: \$75,000 from DDA, \$183,000 from the City of Ferndale, \$90,000 from Ferndalehaus, and \$10,000 from Main Street Oakland County. The proposed increase to \$125,000 was requested of the DDA before project costs were finalized due to the meeting schedule, and even if approved would leave a budget shortfall.

CED Director Twardy explained that \$90,000 from Ferndalehaus is broken into two \$45,000 payments. There is the potential for damages to be accrued with Ferndalehaus if the project is not completed by June 1, 2020, however, there are ongoing discussions with that partner to extend the timeline. Securing the increased contribution from the DDA is important immediately so that they project can continue to move forward.

Board Member Jacokes asked if the members can vote to contribute more than the requested \$125,000. Director Stevens confirms that is within their rights and would be much appreciated by the City of Ferndale.

Twardy recommends that they approve the budget to not exceed a specific amount, providing Director Stevens with flexibility should the project expenditures be finalized at a lower level than anticipated.

Mayor Piana stated concerns related to the design and who the park was developed for. She expressed concern related to the proximity of the stage to the adjacent residential properties and that the focus of the park is for dogs and not people. She requested that maintenance costs associated with dog waste removal be included in the planning process. Mayor Piana also asked about how the City would manage the homeless population.

Board Chair Smith mentioned it is important to determine how to activate the park with local business offerings. A process and schedule of engagement should be created to engage this space. She noted that a management plan for dog waste must be in place and asked about the possibility for future equipment to be installed for children. Board Chair Smith also brought up the concern regarding the homeless population and requested a cost estimate from DPW for ongoing maintenance.

Director Stevens noted that Parks & Recreation has demonstrated a clear willingness to work with the DDA on programming the space, and she looks forward to the collaboration.

*Motion by Member PJ Jacokes to approve an increase in the Schiffer Park contribution from \$75,000 and no more than \$205,000. Seconded by member Nathan Martin.
All Ayes, motion carries.*

c. Experience & Art Planning for The Dot

Director Stevens welcomed Jon Moses, Creative Director of Ideation Orange to explain the process for creating an experience plan for The dot. Construction timeline will determine when art can be installed, but planning will start immediately and is expected to take approximately 3 months.

Board Members expressed that the brand and art developed for The dot can be utilized moving forward for the DDA rebranding. Member Martin asked for detail regarding the placement of art in the office entry and plaza and Director Stevens committed to getting clarity on the placement as the process moves forward. She confirmed that art will be placed in the space owned and controlled by the City of Ferndale. Board Members expressed a preference the local artist be used whenever feasible.

*Motion by member Chris Johnston to authorize the Executive Director to enter into a contract with Ideation Orange for experience and art planning at The dot in an amount not to exceed \$36,000 seconded by member Nathan Martin.
All Ayes, motion carries.*

• Unscheduled Presentation: Update About The dot Construction Process

City Manager Joseph Gacioch addressed the Board with an update on the current status of The dot. In January 2020, he was made aware of a budget shortfall to address an issue with the fourth-floor ceiling of the parking deck. The original budget for the multi-use building did not include the appropriate costs to account for the critical nature of this part of the infrastructure in supporting the office space or anchor the building façade. While the matter is under investigation and portions of the costs will be reimbursable by the developer, the City Council approved the request to move forward with the change order for \$1 million to complete the fourth floor.

City Manager Gacioch is in the process of reviewing the process that led to this budget shortfall, but did not want to slow construction while it is being investigated.

Mayor Piana stated Council is in support of this strategy. She noted that partners will be asked to accept their financial responsibility, and that while City Manager Gacioch has taken much of the responsibility, he does not need to take it all.

City manager Gacioch stated there are no additional costs being requested of the DDA.

- d. Approval for Spring Fest 2020 Event Agreement With Charles Williams Group
Dustin Leslie and Mike Piece of Charles William Group and Jessie Bates of JSB Squad proposed a partnership with the Downtown Development Authority to expand their Spring Fever event to include local artists performing in pedestrian alleys and promotional material for local music/food specials happening at participating restaurants and bars. Director Stevens recommends this event as a pilot designed to kick off the outdoor patio season with little impact to the DDA's minimal staffing resources.

CWG (Charles William Group) shared their ambition to include as many local businesses as possible in this event. Businesses will not have to pay to participate or be promoted, though they can choose to pay for music inside their businesses if they choose. The goal is to bring awareness of what is happening in the Ferndale. Buskers (musicians) will be incorporated at venues that are not normally seen as a destination for music. Dustin Leslie stated he is the GM of WABCO, employed by Chris Johnston.

Mayor Piana requested that walkability be highlighted in promotional materials as well as the SmartBus.

Board Chair Smith requested that there be a focus on retailers in addition to restaurants.

Motion by Member Sarah Brown to approve contract with Charles Williams Group not to exceed \$4000 for event planning and management services for Spring Fever 2020.

Seconded by Member PJ Jacokes.

Member Chris Johnston abstains.

Quorum met, motion carries.

8. INFORMATION ITEMS

- a. Review of Job Description for Engagement Manager Position

The Ferndale DDA is currently staffed by the Executive Director and one part-time staff person. The Engagement Manager will be a full-time position. While the DDA office has traditionally been staffed by three full-time staff, the proposed budget includes two full-time staff supplemented using consultants and specialists in various areas. According to the DDA Bylaws, the Executive Director shall be responsible for all staff hiring and personnel decisions. Board reviewed the Engagement Manager job description as provided by the Executive Director and provided comments. The Executive Director shall be responsible for all other staff hiring and personnel decisions.

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

Member Johnston suggested that we fill all the 12 seats on the DDA Board of Directors as allowed by state statute. Member Semma agreed that all seats should be filled and that a focus be placed on finding residential members.

Mayor Piana requested that they Board Diversity Matrix be filled out and shared by the Executive Director. She noted that there is an ongoing effort to standardized recruitment and appointment for all City boards and commissions.

Mayor Piana addressed the Board and Executive Director Stevens to express that this is the best budget she has ever seen. Clear and concise. She noted that the choice of Director was excellent and she is proud to be a member of the Board.

Member Martin expressed that the budget was clear and easy to understand and thanked the Executive Director for the work to present the material to the Board.

Member Brown expressed that she has enjoyed her first meeting and is excited to get to know everyone.

10. ADJOURNMENT

Motion by Member Blake Scheer, seconded by Member Nathan Martin to adjourn the meeting at 11:13 A.M.

All ayes, motion carries.