

Agenda

Manistee Downtown Development Authority
Wednesday, September 11th, 2019 at 8 am
City Hall Council Chambers, 3rd Floor

1. Call to order – Chair
2. Approval of Agenda
3. Public comment. (Limit 5 minutes per person).
4. Approval of August 14th, Meeting Minutes
5. Approval of August 23rd Special Meeting Minutes
6. Approval of the July Financial Report
7. Committee and Partners Reports
 - a. Project Rising Tide – L.Reyes
 - b. Design – B. Lind
 - c. Marketing and Promotions – K.Goodman
 - d. Business Development – V. Bergstrom
 - e. Economic Development – K. Goodman
 - f. TIF – T.Eftaxiadis
8. Director's Report
9. Old Business
10. New Business
 - a. Action: Approval of Sleighbell warming tent liquor license
 - b. Action: Consideration of Executive Director participation in the Manistee Area Leadership Program \$600; Connecting Entrepreneurial Communities 2019 \$85; Michigan Downtown Association Annual Meeting \$225
 - c. Action: Approval to amend the 2019-2020 Budget to fund two downtown trash containers in the amount not to exceed \$80,000.
11. Public Comment. (Limit 5 minutes per person).
12. Adjournment

MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	<u>Jul '19 - June 2020</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
TIF Revenues				
248-401 · TIF Revenue	154,776	251,884	(97,108)	61.45%
248-573 · Local Community Stabilization Revenue	-	20,000	(20,000)	0.00%
Total TIF Revenues	<u>154,776</u>	<u>271,884</u>	<u>(117,108)</u>	<u>56.93%</u>
Committee Revenue				
248-278 · Spark Manistee	-	8,000	(8,000)	0.00%
Event Revenue				
248-280 · Event Revenues				
248-286 · Sleighbell Sponsorships	9,450		9,450	100.00%
248-283 · Sleighbell - Other	50	15,000	(14,950)	0.33%
Total 248-283 · Sleighbell	<u>9,500</u>	<u>15,000</u>	<u>(5,500)</u>	<u>63.33%</u>
248-281 · Hops & Props				
248-284 · Hops & Props Sponsors	500	-	500	100.00%
248-281 · Hops & Props - Other	528	33,500	(32,972)	1.58%
Total 248-281 · Hops & Props	<u>1,028</u>	<u>33,500</u>	<u>(32,472)</u>	<u>3.07%</u>
Total 248-280 · Event Revenues	<u>10,528</u>	<u>48,500</u>	<u>(37,972)</u>	<u>21.71%</u>
Total Event Revenue	<u>10,528</u>	<u>48,500</u>	<u>(37,972)</u>	<u>21.71%</u>
248-642 · Miscellaneous Income				
248-664 · Interest Income	222	500	(278)	44.40%
248-704 · Other Income		2,000	(2,000)	0.00%
Transfer In Fund Balance	-	192,566	(192,566)	0.00%
Total 248-642 · Miscellaneous Income	<u>222</u>	<u>195,066</u>	<u>(194,844)</u>	<u>0.11%</u>
Total Income	<u>165,526</u>	<u>523,450</u>	<u>(357,924)</u>	<u>31.62%</u>
Expense				
Office Related Expenses				
248-847 · Advertising	167	300	(133)	55.67%
248-853 · Office Equipment and Supplies	149	1,000	(851)	14.90%
248-854 · Postage	-	300	(300)	0.00%
248-857 · Membership Dues	-	600	(600)	0.00%
248-858 · Miscellaneous-Office Related	25	300	(275)	8.33%
248-859 · Printing & Reproduction	-	250	(250)	0.00%
248-863 · Travel	203	1,000	(797)	20.30%
248-864 · Subscriptions	45	-	45	100.00%
248-865 · Meeting Hosting	-	300	(300)	0.00%
248-866 · Training-Education-Conferences	-	1,250	(1,250)	0.00%
248-868 · Insurance	482	2,350	(1,868)	20.52%
248-870 · Phone/Internet	87	300	(213)	29.00%
Total Office Related Expenses	<u>1,158</u>	<u>7,950</u>	<u>(6,792)</u>	<u>14.57%</u>

MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	<u>Jul '19 - June 2020</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Personnel Related Expense				
248-718 · Gross Salary - Director				
248-705 · Employer FICA Expense	596		1,601	100.00%
248-711 · Unemployment	170	-	170	100.00%
248-718 · Gross Salary - Director - Other	7,792	110,000	(102,208)	7.08%
Total 248-718 · Gross Salary - Director	8,558	110,000	(101,442)	7.78%
Total Personnel Related Expense	8,558	110,000	(101,442)	7.78%
Fee Related Expenses				
248-731 · Bank Service Charges	6	100	(94)	5.54%
248-904 · Annual Audit	-	1,500	(1,500)	0.00%
248-903 · 1999 Bond Payment-Streetscape	137,700	137,700	-	100.00%
248-902 · Legal Fees	-	1,000	(1,000)	0.00%
248-901 · Accounting	800	5,000	(4,200)	16.00%
248-906 · TIF Plan Redevelopment	245	-	245	100.00%
Total Fee Related Expenses	138,751	145,300	(6,549)	95.49%
Design Committee Related Expense				
248-639 · Landscaping	-	18,000	(18,000)	0.00%
248-665 · Hanging Baskets / Watering Contract	2,937	13,000	(10,063)	22.59%
248-651 · City Maintenance in DDA	-	22,000	(22,000)	0.00%
248-653 · Holiday Decorations	-	8,500	(8,500)	0.00%
248-652 · Facade Grant Program	-	10,000	(10,000)	0.00%
248-658 · Downtown Maintenance	-	28,400	(28,400)	0.00%
Transfer to Property Acquisition	-	25,000	(25,000)	0.00%
Total Design Committee RelatedExpense	2,937	124,900	(121,963)	2.35%
Economic Restructuring				
248-628 · Property Acquisition	5,483	78,000	(72,517)	7.03%
Total Economic Restructuring	5,483	78,000	(72,517)	7.03%
Organization Committee				
248-600 · Main Street Program Newsletter		300	(300)	0.00%
248-602 · Downtown Dollars Program	100	500	(400)	20.00%
248-608 · Spark Manistee	-	8,000	(8,000)	0.00%
Total Organization Committee	100	8,800	(8,700)	1.14%
Promotions Committee Expenses				
248-751 · Promotions Committee Expense				
248-748 · Website Redevelopment	-	500	(500)	0.00%
248-761 · Hops & Props on the River	2,414	21,500	(19,086)	11.23%
248-764 · Sleighbell Weekend	50	21,500	(21,450)	11.23%
248-776 · Advertising	-	5,000	(5,000)	0.23%
Total 248-751 · Promotions Committee Expense	2,464	48,500	(46,036)	5.08%
Total Expense	159,452	523,450	(363,998)	30.46%
Net Operating Income	6,075	-	6,075	

**MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
GENERAL FUND
BALANCE SHEET**

ASSETS	<u>Aug 31, 2019</u>
Current Assets	
Checking/Savings	
248-000 · Petty Cash	1,000.00
248-010 · Checking - West Shore Bank	214,522.15
248-008 · Land Acquisition Account - WSB	78,722.51
248-003 · Façade Grants Checking	5,003.06
Total Checking/Savings	<u>299,247.72</u>
248-028 · Accounts Receivable	11,519.33
12100 · Pre-Paid Expenses	4,138.01
Total Other Current Assets	<u>15,657.34</u>
Total Current Assets	<u>314,905.06</u>
Other Assets	
248-182 · Investment - Amer Cleaners Prop	84,159.60
TOTAL ASSETS	<u><u>399,064.66</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
248-202 · Accounts Payable	798.13
248-204 · Unearned Revenue	6,000.00
248-210 · Payroll Liabilities	1,465.58
Total Current Liabilities	<u>8,263.71</u>
Total Liabilities	<u>8,263.71</u>
Equity	
248-392 · Designated Fund Balance	
248-393 · Land Acquisition .	78,688.01
248-396 · Façade Grant	5,002.11
Total 248-392 · Designated Fund Balance	<u>83,690.12</u>
248-390 · Fund Balance	301,060.83
Net Income	6,050.00
Total Equity	<u>390,800.95</u>
TOTAL LIABILITIES & EQUITY	<u><u>399,064.66</u></u>

**MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
DOWNTOWN DOLLARS FUND
BALANCE SHEET**

ASSETS	<u>Aug 31, 2019</u>
Current Assets	
Checking/Savings	
248-014 · Downtown Dollars Checking 2018	1,603.81
248-015 · Downtown Dollars Checking 2019	4,598.39
Total Checking/Savings	<u>6,202.20</u>
Accounts Receivable	
248-2028 · Accounts Receivable	900.00
TOTAL ASSETS	<u><u>7,102.20</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2018 Downtown \$ Outstanding	1,560.26
2019 Downtown \$ Outstanding	4,220.54
Total Liabilities	<u>5,780.80</u>
Equity	
248-390 · Fund Balance	1,420.81
Net Income	-99.41
Total Equity	<u>1,321.40</u>
TOTAL LIABILITIES & EQUITY	<u><u>7,102.20</u></u>

**MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
REVOLVING LOAN FUND
BALANCE SHEET**

ASSETS	<u>August 31, 2019</u>
Current Assets	
Checking/Savings	
Revolving Loan Checking - WSB	16,816.28
Total Current Assets	<u>16,816.28</u>
Other Assets	
Revolving Note Receivable	
RLB Boutique	5,688.35
Duchon Insurance	2,173.78
J Catlett's Men's Styling LLC	4,105.19
Total Other Assets	<u>11,967.32</u>
TOTAL ASSETS	<u><u>28,783.60</u></u>
LIABILITIES & EQUITY	
Equity	
Fund Balance	28,659.72
Net Income	123.88
Total Equity	<u>28,783.60</u>
TOTAL LIABILITIES & EQUITY	<u><u>28,783.60</u></u>

Manistee Downtown Development Authority
Monthly Disbursements
August 2019

Date	Transaction Type	Num	Name	Memo/Description	Amount
08/07/2019	Bill Payment	4525	Connie M Tewes CPA LLC	July 2019 accounting	400.00
08/07/2019	Bill Payment	4526	Jackpine Business Centers	Office Supplies	148.50
08/07/2019	Bill Payment	4527	Jackpine Internet Service	Annual fee - internet/phone	87.00
08/07/2019	Bill Payment	4528	Weesies Brothers Farms Inc	Flowers for hanging baskets	2,936.95
08/08/2019	Check	DD	Caitlyn M Berard	Bi-weekly Payroll	1,463.98
08/09/2019	Check	EFTPS	INTERNAL REVENUE SERVICE	Payroll Taxes - July	1,067.76
08/15/2019	Bill Payment	4529	Jackpine Business Centers	Hops & Props cards	40.00
08/16/2019	Bill Payment	4547	City of Manistee	Permit	50.00
08/21/2019	Check	4530	Manistee Downtown Development Authority	Start up Cash	500.00
08/22/2019	Check	DD	Caitlyn M Berard	Bi-weekly Payroll	1,463.99
08/22/2019	Bill Payment	4532	Crowley, Serita	Hops & Props band	600.00
08/23/2019	Bill Payment	4549	Amor Sign Studios	Hops & Props insert panel	134.05
\$ 8,892.23					

Executive Director Report

To: Manistee Downtown Development Authority

From: Caitlyn M Berard, Executive Director

CC: Staff and Public

Meeting Date: September 11th, 2019

Intro:

- Merchants Meeting was August 20th at 8:30 am at Vogue Theatre
- Special Board Meeting August 23rd
- MEDC Façade Grant Background checks and establishment paperwork
- TIFF reprioritizing August 27th with TIFF Committee
- Audit was August 26th thru August 30th
- Will be presenting at City Council Meeting September 15th for Semi-Annual Report
- Applied for and was accepted into the Manistee Area Leadership Program
- Board Audit week – August 26th – August 30th

Reporting PA 57:

- Attended Fiscally Ready Committees – August 22nd, 2019 lead by Michigan Department of Treasury
- Organizing Office and files for Audit and website

Fully Support Spark:

- Met with Stacie, Manistee Chamber, to prioritize Spark Sponsors and second round of sponsor letters
- Met with Jamie and Brian to discuss one year later video
- Questions and research for application form
- Marketing Spark outline
- Spark Objectives and timeline
- Reached out to high school for volunteers for Spark set up and operation
- Met with potential Spark Sponsors with Valarie, Business Development Chair

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- Met with Kim Skeltis, Blue Blaze Public Relations, LLC for Spark promotion

American Cleaners:

- Shared MOU and Special meeting minutes with Little River Holdings, LLC
- Attended conceptual planning meeting with partners

Support Design Committee:

- Design Committee meeting was August 15th
- Met with Laura Heintzelman, Manistee Community Foundation to discuss Capital Improvements Plan for the Riverwalk
- Discuss Bike Racks within the City with Jeff Mikula
- Attempted to contact Project Bloom Contacts twice
- Began Grant Inquiry for Project Bloom
- Financial report analysis
- Met with Shawn, Spicer, on Capital Improvements work

Support Project Rising Tide:

- Discussed DDA branding with Lisette, Project Rising Tide Lead.
- Team Forward meeting with Chamber and CVB for Economic Development Strategy
- Attempting to schedule meeting with Filer DDA for Economic Development Strategy

Business Development

- Met with Tom Hinman to discuss Business Development and Spark Strategies
- Property Inventory Organizing
- Property Information Packets for available sites
- Begin Business Retention Visits
- Financial report analysis

Memorandum of Understanding

From: Manistee Downtown Development Authority
70 Maple St
Manistee MI 49660

To: Little River Holdings, LLC
2608 Government Center Dr
Manistee MI 49660

August 27, 2019

The Manistee Downtown Development Authority received a letter from the Little River Holdings, LLC on August 19th for review by the board at a Special Meeting on August 23rd, 2019.

The Board has approved to 'direct the DDA Executive Director Caitlyn Berard to work with Little River Holdings and negotiate an agreement that will be brought to the Board in September for consideration'. Agreement as follows:

FOR AND IN CONSIDERATION of negotiations and partnership for 285 River St, commonly known as American Cleaners. Final decision of the properties must be determined within an open Manistee DDA board meeting.

Additional comments and questions can be directed to the Executive Director at the contact information provided.

Caitlyn M Berard
Executive Director
Manistee Downtown Development Authority

Manistee Downtown Development Authority Board Meeting Minutes
August 14, 2019, 8:00 a.m. Council Chambers, Manistee City Hall

Present: Valarie Bergstrom, Rachel Brooks, Tamara DePonio, T Eftaxiadis, Karen Goodman, Barry Lind, Kyle Mosher, Thad Taylor and Jodi Walter.

Excused Absence: None.

Also Present: DDA Executive Director Caitlyn Berard, former Interim DDA Director Tom Kaminski, Mayor Zilenski, Ashlyn Korienek, Lissette Reyes, Stacy Bytwort, Jeff Donz, Shari Wild, Carrie Kosla, Tyler Leppanen, Tom St Dennis.

Agenda Item

1. **Call to Order:** Meeting called to order by Chair Brooks at 8:00 a.m.
2. **Approval of Agenda:** Eftaxiadis requested the agenda be amended to add Item 18 “Board Member Comments” following last Public Comment before Adjournment. Taylor requested the agenda be amended to add Item 16c “Discussion of City staff taking meeting”; noted that he had previously requested inclusion of this item in the agenda. Lind noted that since this is the Board’s “organizational” meeting, all committees must be re-appointed per bylaws. Lind also requested agenda Item 14b be removed because it involves a potential “sale” of property whose discussion may not take place in a closed session. Berard stated she had not received clear direction from City attorney concerning discussion of “sale” of property in a closed session, only for “purchase”. Following discussion, Goodman requested the agenda be amended to add Item 16d “Appointment of Committees”, once a Chair has been appointed following election of officers. There was Motion by Bergstrom and Supported by Lind to adopt the agenda, with the addition of Items 16c, 16d and 18, and deletion of Item 14b. **Motion approved.**
3. **Public Comment:** Shari Wild stated her belief that the process for appointments to vacant DDA Board positions, whereby the City Manager now appoints his selected nominees for Council approval, had been misused by the City Manager for the purpose of denying her reappointment to the Board in favor of appointing his selected nominee. She further suggested the Board considers reappointing the current Board officers.
4. **Election of Officers:** Brooks turned chair to Executive Director Berard to open nominations for Chairperson.
 - a. Chairperson: Taylor nominated Moser for Chair. Bergstrom nominated retaining the entire current slate of officers. Eftaxiadis nominated Brooks for Chair. By roll call Brooks was elected as Chair (for Brooks: DePonio, Bergstrom, Lind, Eftaxiadis, Walter, Brooks; for Moser: Mosher, Goodman, Taylor). Following election, new Chair Brooks continue with nominations for remaining officers.
 - b. Vice Chairperson: Taylor nominated Goodman for Vice Chair. Bergstrom nominated Lind. Goodman nominated Mosher. By roll call Mosher was elected as Vice Chair (for Lind: DePonio, Bergstrom, Eftaxiadis, Brooks; for Mosher: Mosher, Goodman, Lind, Taylor, Walter).
 - c. Treasurer: Eftaxiadis nominated Bergstrom. Mosher nominated Lind. By roll call Bergstrom was elected as Treasurer (for Bergstrom: DePonio, Bergstrom, Goodman, Lind, Taylor, Eftaxiadis, Walter, Brooks; for Lind: Mosher).
 - d. Secretary: Bergstrom nominated Eftaxiadis. Mosher nominated Lind. By roll call Lind was elected as Secretary (for Lind: Mosher, Goodman, Lind, Taylor, Walter; for Eftaxiadis: DePonio, Bergstrom, Eftaxiadis, Brooks).
5. **Discussion of TIF Plan:** Tom Kaminski summarized status of TIF Plan, discussions with City Manager about City’s issues, Council’s reported preference for a 20 year capture rather than the previous 30 year capture, TIF captured differences, and upcoming TIF committee meeting to adjust project costs. Eftaxiadis discussed the baseline Captured Values, total Captured Values and Total TIF Captured differences between the last two

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August 14, 2019, 8:00 a.m. Council Chambers, Manistee City Hall

versions of the TIF Plan received by Beckett & Raeder. These differences, as well as the reduction of the capture period from 30 to 20 years have resulted in reduced total TIF Capture and associated decrease in TIF funds available for DDA development projects. The DDA's TIF committee will meet to re-evaluate project funding levels and priorities. The Plan will then need to be revised and re-submitted to the City/Council for action. There was further discussion of the implications of the 20 vs 30 year TIF capture period. Lind and Kaminski discussed issues and responsibilities for, related to a maintenance agreement with the City. Goodman emphasized the need for discussions with Council concerning the DDA's longevity and the potential impact on planning and funding long term projects.

6. **Approval of April 10, 2019 DDA Board Meeting Minutes:** Motion by Eftaxiadis and Supported by Lind to approve the April 10, 2019 meeting minutes as presented. **Motion approved.**
7. **Approval of May 14, 2019 DDA Board Special Meeting Minutes:** Motion by Goodman and Supported by Eftaxiadis to approve the May 14, 2019 meeting minutes as presented. **Motion approved.**
8. **Approval of June 12, 2019 DDA Board Meeting Minutes:** Motion by Mosher and Supported by Goodman to approve the June 12, 2019 meeting minutes as presented. **Motion approved.**
9. **Approval of July 10, 2019 DDA Board Meeting Minutes:** Motion by Eftaxiadis and Supported by Goodman to approve the July 10, 2019 meeting minutes with typo correction noted. **Motion approved.**
10. **Approval of June Financial Report:** There was Motion by Goodman and Supported by Lind to approve the June financial report as presented. **Motion approved.**
11. **Financial Report (July):** Lind discussed Façade grants accounting and need to transfer from fund balance to balance; Bertram confirmed both. Motion by Mosher and Supported by Goodman to approve the July financial report with minor changes by Bergstrom and accountant. **Motion approved.**
12. **Director and Partners Reports:**
 - a. **Project Rising Tide:** Reyes provided and discussed a summary page from the Rising Tide consultant's report on Community Development goals & roles, summarized Rising Tide's recommendations, and asked for DDA feedback. Goodman reported the DDA's Economic Development committee will discuss recommendations later at this meeting (Item 12f below). Reyes and Board members discussed branding issues, the role of the DDA's Design Committee, and ways to coordinate the DDA's with the City's branding needs. Board directed Berard to coordinate with City and others on this issue. Reyes and Board members further discussed promoting MEDC's building rehabilitation programs for Downtown building owners. Direction was provided to the Executive Director to coordinate this effort utilizing resources as needed. Reyes reported that the award of the MEDC façade grant by MSF, requiring DDA presence, was rescheduled for September. The Manistee Forward program discussion is scheduled for September 10.
 - b. **Design:** Lind summarized the last meeting minutes; committee report will be included in next month's DDA meeting packet. Lind briefly discussed signage issues. Concern was expressed about landscaping quality related to flower planters. Goodman suggested reaching to local gardening clubs for assistance. Bergstrom suggested performing walk-through of the relevant areas before events & festivals. The new Glick owners have become aware of noxious weeds issues on their property. Lind discussed community need for bike racks.

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- c. **Marketing & Promotions:** Goodman volunteered to chair committee. Taylor and Bergstrom were appointed as new members of the committee.
 - d. **Business Development:** Bergstrom discussed the July 10, 2019 meeting items, specifically business retention, working on SPARK and property inventory, working with the Executive Director.
 - e. **Redevelopment:** Eftaxiadis recommended elimination of the committee and assignment of its remaining responsibilities to the DDA's Economic Development committee and to the Executive Director. There was Motion by Mosher and Supported by Taylor to eliminate the Redevelopment Committee and roll its responsibilities to the Economic Development Committee. **Motion approved.**
 - f. **Economic Development:** Goodman read statement generated by the committee (attached) concerning projects and responsibilities. Following lengthy discussion and suggestions by Board members, Board directed the Executive Director to determine needs and develop plans for Downtown projects in consultation with Board members as needed, identify ways to execute them in-house and/or obtain services from third parties, and present recommendations to the Board for approval. Jeff Donz was recognized by the Chair, and made statement about the newly formed regional Economic Development Board's role and services.
 - g. **TIF:** Discussed previously in Item 12a above.
13. **Director's Report:** Berard summarized the contents of her report; made part of today's DDA Board meeting packet. She will present her report at Council's next meeting, as well as at subsequent Council meetings. There was further discussion that the Executive Directors responsibilities will be consistent as determined in Item 12a above.

FOLLOWING BRIEF DISCUSSION, BOARD DECIDED TO ADDRESS AGENDA ITEMS 16 THROUGH 17 AT THIS TIME, AND THEN RETURN TO ITEM 14a.

14. **Action:** Consideration of a Closed Session, Project Bloom and American Cleaners. Executive Director Berard has requested a closed session of the DDA Board permitted by the Michigan Open Meetings Act, Section 8c to discuss property purchase and sale of Project Bloom and American Cleaners. Motion by Eftaxiadis and Supported by Mosher to go to closed session with all board and Executive Director to discuss the potential purchase of property identified as "Project Bloom". **Motion approved.**

Following closed session discussion, there was Motion by Mosher and Supported by Taylor to go back to open session. **Motion approved.**

- a. **Action:** Consideration of making an offer on Project Bloom site. There was Motion by Goodman and Supported by Mosher to authorize the Executive Director to negotiate the purchase of downtown property identified as "Project Bloom". **Motion approved.**

15. **Old Business:** None.

16. **New Business:**

- a. **Approval of the purchase of Quickbooks Access for access to files and printing of financial reports.** Following discussion, there was Motion by Eftaxiadis and Supported by Bergstrom to allocate \$5/month for the purchase of Quickbooks Access software service. **Motion approved.**

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b. Approval of the hiring of the Manistee DDA attorney.

Following discussion of the perceived, Board decided to table discussion to next meeting.

- c. Discussion of City staff taking minutes.** Taylor proposed having City staff take meeting minutes for the purpose of freeing up Board secretary to better concentrate on the meetings and to expedite the preparation and posting of minutes. Taylor objected to the exclusion of his proposal to have this item included in the original agenda. Goodman expressed concern about communications between Board members and Executive Committee. Following discussion there was Motion by Mosher and Supported by Goodman to have City staff take Board meeting minutes. **Motion approved** (Eftaxiadis opposed).

NOTE: In the interest of time and those in attendance concerning the potential American Cleaners property transaction, Chair solicited Board opinion of the appropriateness of closed session discussion of this item. Following discussion among Board members and Tom St Dennis of the LRBOI's Economic Development Corporation concerning the public disclosure of a potential real estate transaction, it was decided that Berard will request City attorney to specifically opine on rules for "closed" session of the DDA Board about potential property sale. Depending on the legal opinion, the Board may then convene to discuss the matter in a closed session, or at a different forum.

- d. Discussion of member appointments of committees.** Following discussion there as Motion by Lind and Supported by Bergstrom to the discussion of this item. **Motion approved.**

17. Public Comment (Limit 5 minutes per person): None

18. Member Comments:

Members discussed in great length means of communicating more frequently and effectively, including communicating information obtained through members' involvement in other authorities, commissions or organizations.

19. Adjournment: Meeting adjourned at 11:15 a.m.

**MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL MEETING MINUTES OF AUGUST 23, 2019
8:00 A.M., MANISTEE CITY HALL**

PRESENT: Valarie Bergstrom, Rachel Brooks, Tamara DePonio, Karen Goodman, Barry Lind, Kyle Moser, Thad Taylor, Jodi Walter

EXCUSED ABSENCE: T. Eftaxiadis

ALSO PRESENT: DDA Director Caitlyn Berard, Lynda Beaton, Kathryn Kenny, Tyler Leppanen, Tom St. Dennis

1. **Call to Order.** Meeting called to order by the Chair at 8:00 a.m.
2. **Approval of Agenda.** *MOTION* by Karen Goodman, second by Valerie Bergstrom to approve the agenda as presented. Voice vote – Motion carried.

3. **Public Comment.** - None

4. **Consideration of Design Committee Recommendation for the Approval of the Elk's Façade Grant.**

The DDA Design Committee met last week to discuss a request from the Elks Club for a façade grant. It is important to note that this request would use up the façade grant budget for the year. The Committee recommends a façade grant for the Elks in the amount of \$10,000 with an additional \$5,000 (\$15,000 total with 50% match), contingent upon receiving additional funding from MEDC or others for the façade grant program. Discussion followed.

MOTION by Barry Lind, second by Thad Taylor to approve a façade grant for the Elks Club in the amount of \$10,000 with an additional \$5,000 contingent upon receiving additional funding from the MEDC. Voice vote – Motion carried.

5. **Consideration of Real Estate Purchase Option Agreement for 285 River Street, Former American Cleaners.**

The DDA has received a request to purchase 285 River Street, the former American Cleaners. Discussed original goal to purchase this property was to have control over future redevelopment to enhance the downtown gateway at US-31 and River Street. Reviewed past discussions regarding a shared facility for DDA/Chamber/CVB; building

is outside the Historic District and should be complimentary to the DDA; recent MSU design; consider donating property and create a partnership with a developer; cost recovery vs. goal accomplishment; and the Vogue Project.

The purchase request from Little River Holding has some urgency and the Chair asked for a motion to provide direction.

MOTION by Thad Taylor, second by Kyle Moser to direct the DDA Executive Director Caitlyn Berard to work with Little River Holdings and negotiate an agreement that will be brought to the Board in September for consideration. Voice vote – Motion carried.

6. **Old Business.** None
7. **New Business.** None
8. **Public Comment.** None
9. **Board Comment.** None
10. **Adjourn.** *MOTION* by Thad Taylor, second by Valerie Bergstrom to adjourn at 8:21 a.m.

Cynthia Lokovich, CAP OM
Acting Recording Secretary

Manistee DDA Design Committee
August 15, 2019
Meeting Minutes
Chamber of Commerce

1. Call to Order

Meeting was called to order at 8:33am by Chair Barry Lind

Present: Lind, Kyle Mosher, Janet Duchon, Jeff Mikula, Dennis terHorst, Stacy Bytwork, Shari Wild, Jeff Reau

Absent: none

Also Present: Caitlyn Berard, Laura Heintzelman, Sam Coram

2. Approval of Agenda

Motion by Wild, support by Mosher to approve agenda as presented as amended. M/C

3. Approval of Minutes

Motion by Mosher, support by Duchon to approve the meeting minutes from July 25, 2019. M/C

4. Public Comment: None

5. Elks Facade Grant Request

After discussion with Sam Coram representing the Elks, motion by Mosher, support by Wild to recommend to the DDA Board a facade grant to the Elks in the amount of \$10,000 with an additional \$5,000 (i.e. \$15,000 total with 50% match) being contingent upon receiving additional funding from MEDC or others for the facade grant program. M/C

6. Public Comment: None

7. Reviewed status of projects

a – 2018-19 Parking Signage – Mikula updated the committee on the progress of procuring and installing the signs. The signs are on order and staff has reviewed the signage plan and feels they will be able to accommodate the desired sign locations.

b – 2018-19 MSU Project – No further action on this project for the time being, it will be removed from future agendas.

c – 2018-19 Downtown Refuse – No significant progress in the last month.

d – 2018-19 Facade Grants – MEDC has a meeting scheduled for September and Manistee has been invited to attend.

e – 2019-20 Project Bloom – Motion by Mikula, support by Bytwork to request a Community Foundation mini grant of \$5,000 to perform a Conceptual Design for the DDA owned parking lot on the river to conceptualize future uses other than a parking lot. M/C

f – 2019-20 American Cleaners – Discussed the original goals of the DDA in purchasing the property, namely to be able to control the future development for the property to enhance (and

make more effective) the downtown gateway of US31/River St, and to ensure that the aesthetic of any future development at this gateway fits with the character of the overall DDA district.

Due to time and another group needing to use the room the meeting was ended without completing the rest of the agenda at 10:00am.

8. Next meeting Thursday, September 19th, 8:30 am at the Chamber

Business Development Committee Meeting Minutes
 August 15, 2019 at 1:00 p.m.
 Manistee Chamber of Commerce

Committee Members Present: Caitlyn Berard, Valarie Bergstrom, Stacie Bytwork, Tamara DePonio, Carrie Kosla and Tim Hinman by phone

Agenda	Notes
1. Welcome & Call to Order	Called to order at 1:00 p.m.
2. Approval of Agenda	Approved
3. Spark Manistee <ul style="list-style-type: none"> • 	Reviewed Phase One timeline with committee Discussed sponsor feedback from survey on 2018 event Berard shared feedback from other 5X5's held in Northern Michigan Hinman shared recent Ludington 5X5 Continue to look for title sponsor
4. Retention Study <ul style="list-style-type: none"> • 	Berard has gathered information from other sources to begin finalizing the retention process and utilizing a survey document. Draft survey to be discussed at the next meeting.
5. Next Meeting Date	It was agreed to continue meeting on the same date by move the meeting to 8:30 a.m. on September 12
6. Adjournment	Meeting adjourned at 2:00 p.m.

Attachments Below
 2018 Judges' Feedback
 Phase One Timeline

2018 Spark Judges' Feedback

The following questions were emailed to the judges for feedback and suggestions for improvement for the 2020 Spark Manistee contest and event.

- What additional information about each business did you want to know for open application one?
- What additional information would you like from the DDA?
- What recommendations do you have for the scoring process of applicants?
- Do you have a recommendation of additional sponsors or resources to participate for Spark 2020?
- Additional comments or suggestions for Spark 2020

Summary Comments: The following table summarizes the feedback from two of the judges.

Judge	Comments
Al Frye, Ramsdell Theater	<ul style="list-style-type: none"> • I really enjoyed my experience with Spark last year. I think that it is a great project and it helped Jamie open up a very successful business as well as fill up an empty space in downtown. • I think that it might be good to let each judge ask one question of each contestant during the event. I think that this would make the it feel more like Shark Tank and it would give the judges a chance to get more information. Also last year we did not have the opportunity to meet with all of the candidates before the event. • Could the DDA stress to the contestants the importance of that first impression? I don't have a memory of how the scoring worked. We sat back stage and discussed our favorites and made our selection. • Would it be possible for the DDA to increase the prize money? \$5000 is a lot of money but it might not be enough to really help some businesses get open. Also, an increased award might garner more contestants. • I think that last year's event was a great success and I would love to help in any way that I can with next year's competition.
Tyler Leppanen, Past Executive Director	<ul style="list-style-type: none"> • One of the biggest complaints I heard after the event last year was the scoring during the event. • We had 4 judges with one vote each and the community vote with one vote. The tattoo guy won the community vote but all for judges unanimously voted for the barber shop. • A lot of people were disappointed and honestly confused because the community vote didn't matter at all. It would be nice if there was at least a consolation prize for the community vote winner, if different from the judge's votes.

2020 Spark Phase One Timeline

Item	Steps	Responsible Party	Comments/Notes	Date Due
Develop Budget	<ul style="list-style-type: none"> Include Spark budgeted amount in annual budget with board approval 	Caitlyn		Completed
Secure Sponsors	<ul style="list-style-type: none"> Develop a sponsorship letter and mail to chamber list 	Bergstrom		Completed
Secure Sponsors	<ul style="list-style-type: none"> Personalize the letters to past sponsors 	Kaminski		Completed
	<ul style="list-style-type: none"> Prioritize the sponsor list for follow up phone calls 	Caitlyn & Bergstrom	Two possible sponsors contacted; more by next meeting. Second meeting held with possible sponsor. Continuing to follow up to secure sponsorship dollars	
	<ul style="list-style-type: none"> Conduct follow up phone calls to prioritized list including past sponsors, casino and prioritized list 	Caitlyn		
	<ul style="list-style-type: none"> Send a letter acknowledging 2020 sponsors and thanking them for their support 	Caitlyn		Completed
	<ul style="list-style-type: none"> Send an email to past sponsors inquiring about what went well, what could be improved for the next event and any additional comments 	Stacy		Completed
Website review	<ul style="list-style-type: none"> Edit the following documents including: <ul style="list-style-type: none"> ✓ Submit Your Idea ✓ View Our Flyer ✓ Official Rules ✓ Landing Page including Sponsorship Form 	Caitlyn		
	<ul style="list-style-type: none"> Determine next steps based on feedback from 2018 sponsors 	Committee	Minor changes being made based on past sponsor and judges' comments. Ongoing	
	<ul style="list-style-type: none"> Determine if we should add more information about sponsorship types 		Considering offering a \$2500 sponsorship opportunity and have two title sponsors.	
	<ul style="list-style-type: none"> Determine if the lengthy landing page is appropriate 			
	<ul style="list-style-type: none"> Add key dates to the website – deadline to apply 			
	<ul style="list-style-type: none"> Who will update website? <i>Note that the events that the DDA no longer sponsors should also be eliminated from the</i> 			

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	<ul style="list-style-type: none"> • Conduct follow up phone calls to prioritized list including past sponsors, casino and prioritized list 	Caitlyn		
	<ul style="list-style-type: none"> • Send a letter acknowledging 2020 sponsors and thanking them for their support 	Caitlyn		Completed
Previous Sponsor Feedback	<ul style="list-style-type: none"> • Send an email to past sponsors inquiring about what went well, what could be improved for the next event and any additional comments 	Stacy		Completed
Website review	<ul style="list-style-type: none"> • Edit the following documents including: <ul style="list-style-type: none"> ✓ Submit Your Idea ✓ View Our Flyer ✓ Official Rules ✓ Landing Page including Sponsorship Form 	Caitlyn		
	<ul style="list-style-type: none"> • Determine next steps based on feedback from 2018 sponsors 	Committee	Minor changes being made based on past sponsor and judges' comments. Ongoing	
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	<ul style="list-style-type: none"> • Who will update website? <i>Note that the events that the DDA no longer sponsors should also be eliminated from the website when other changes are made</i> 			



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

SUE A. BOWLBY, CPA, PRINCIPAL
KENNETH A. TALSMA, CPA, PRINCIPAL
AMBER N. MACK, CPA, PRINCIPAL

PHILLIP J. WOLF, CPA
LESLIE A. BOHN, CPA

MEMBER AICPA
DIVISION FOR CPA FIRMS

MEMBER MACPA

OFFICES IN
MICHIGAN & WISCONSIN

Board of Directors
Manistee Downtown Development Authority
70 Maple Street
Manistee, Michigan 49660

We are pleased to confirm our understanding of the services we are to provide the Manistee Downtown Development Authority (a component unit of the City of Manistee, Michigan) for the year ended June 30, 2019. We will audit the financial statements of the governmental activities and major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Manistee Downtown Development Authority as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Manistee Downtown Development Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Manistee Downtown Development Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Manistee Downtown Development Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Manistee Downtown Development Authority's financial statements. Our report will be addressed to the Board of Directors of the Manistee Downtown Development Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Manistee Downtown Development Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements, and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be express in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Manistee Downtown Development Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will assist in preparing the financial statements and related notes of the Manistee Downtown Development Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objective discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services, and accept responsibility for them.

Engagement Administration, Fees and Other

We understand that your employees will prepare all cash and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Anderson, Tackman & Company, PLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Michigan or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Anderson, Tackman & Company, PLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Michigan. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed the amount listed in our proposal. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. A copy of our peer review opinion and letter of comments is available on the American Institute of CPA's website www.aicpa.org.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding the statute of limitations of the State of Michigan, any claim based on the audit engagement must be filed within (12) months after performance of our service, unless you have previously provided us with a written notice of a specific defect in our services that forms that basis of the claim.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

We appreciate the opportunity to be of service to the Manistee Downtown Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Anderson Tackman & Co PLC

Anderson, Tackman & Company, PLC

RESPONSE:

This letter correctly sets forth the understanding of the Manistee Downtown Development Authority.

By: *[Signature]*

Title: Executive Director

Date: August 14, 2019

STANDARD FORM TO CONFIRM ACCOUNT BALANCE INFORMATION WITH FINANCIAL INSTITUTIONS

ORIGINAL
To be mailed to accountant.

City of Manistee Downtown Development Authority
CUSTOMER NAME

Financial Institution's Name and Address
West Shore Bank
PO Box 627
Ludington, MI 49431

We have provided to our accountants the following information as of the close of business on June 30 2019 regarding our deposit and loan balances. Please confirm the accuracy of the information, noting any exceptions to the information provided. If the balances have been left blank, please complete this form by furnishing the balance in the appropriate space below. * Although we do not request nor expect you to conduct a comprehensive, detailed search of your records, if during the process of completing this confirmation additional information about other deposit and loan accounts we may have with you comes to your attention, please include such information below. Please use the enclosed envelope to return the form directly to our accountants.

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
Main Acct. - Business Venture Checking	20033923		
Revolving Loan Program - BVC	20034032		
Downtown Dollars - BVC	20033931		
Money Market Savings	561029		

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL
Any Debt?					

[Handwritten Signature]
(Customer's Authorized Signature)

Aug 07 2019
(Date)

The information presented above by the customer is in agreement with our records. Although we have not conducted a comprehensive, detailed search of our records, no other deposit or loan accounts have come to our attention except as noted below.

(Financial Institution Authorized Signature)

(Title)

(Date)

EXCEPTIONS AND/OR COMMENTS

PLEASE INDICATE IF ACCOUNT WAS CLOSED AND DATE CLOSED, THANK YOU.

Please return this form directly to our accountants:

Anderson Tackman, & Co., PLC
16978 S. Riley Avenue
Kincheloe, MI 49788

* Ordinarily balances are intentionally left blank if they are not available at the time the form is prepared.

Budget Amendment Request

At the March 13, 2019 Manistee Downtown Development Meeting a motion and was made and approved to fund trash containers not to exceed \$80,000 from fund balance. The intent was to complete the trash containers before the summer season and the \$80,000 expenditure was inadvertently not included in the 2019-2020 Budget.

We are requesting an amendment to the 2019 – 2020 Budget to fund two downtown trash containers in an amount not to exceed \$80,000.

A copy of the March 13, 2019 board meeting minutes is attached.

**Manistee Downtown Development Authority Board Meeting Minutes
March 13, 2019, 12:00 p.m. Manistee City Hall**

Present: Rachel Brooks, Tamara DePonio (arrived 12:15), T Eftaxiadis, Barry Lind, Mayor Roger Zielinski, Valarie Bergstrom (departed 1:30), Shari Wild and Kyle Mosher.
Excused Absence: Karen Goodman.
Also Present: DDA Interim Director Tom Kaminski, Councilmembers Beaton, Ashlyn Korienek, Ken Talsma, Jeff Mikula, Matt Biolette, Nikole Knapp, Thad Taylor, Connie Tewes.

Agenda Item

1. **Call to Order:** Meeting called to order by Chair Brooks at 12:00 p.m.
2. **Approval of Agenda:** Motion by Zielinski and Supported by Wild to adopt the agenda, with the addition of Items 9 e, 9f and 9g under New Business. **Motion approved.**
3. **Public Comment:** None.
4. **Approval of October 10, 2018 DDA Board Meeting Minutes:** Motion by Shari and Supported by Bergstrom to approve the October 10, 2018 meeting minutes with corrections. **Motion approved.**
5. **Approval of February 14, 2019 DDA Board Meeting Minutes:** Motion by Eftaxiadis and Supported by Lind to approve the February 13, 2019 meeting minutes with the addition of the amount of \$5,000 on Item 7b and a typo correction. **Motion approved.**
6. **Financial Reports:**
 - a. **Review of Financial Statements.** Kaminski discussed status of the financial statements. Following discussion there was Motion by Bergstrom and Supported by Lind to approve the February Disbursements portion of the financial statements. **Motion approved.** Due to revisions required by the DDA's accountant, the remaining financial statements will be acted upon next month.
 - b. **FY 2017/18 Audit Review.** Ken Talsma of Anderson, Tackman & Company, PLC discussed the findings of the subject audit. The graphic presentation of the Basic Financial Statements by Mr. Talsma is attached. There were question by Lind and discussion among Lind, Tewes and Talsma concerning 2018 TIF revenue allocation. There was Motion by Bergstrom and Supported by Wild to accept the FY 2017/18 Audit with pending clarification of the 2018 TIF revenue allocation. **Motion approved (Lind opposed).**
7. **Director and Committee Reports:**
 - a. **Director:** Kaminski provided status report of his work activities as summarized in his report dated March 4, 2019. Additionally, Kaminski discussed issue of outdoor seating permits requiring approval by the DDA Administrator and the City. Direction was provided to Kaminski to discuss this, and the associated fee issues with Design committee.
 - b. **Design:** Mikula and Biolette discussed current trash storage and removal practices by various businesses in the District, as well as option for trash management recommended by the Design committee. Lind noted proposed **corresponding City ordinance changes that would be required prior to implementing these recommendations. Action on this item will be taken under agenda Item 9f below.**

Mikula also discussed installation of parking lots signs, locations of signs and map of locations to install signs for parking lots in the District. Action on this item will be taken under agenda Item 9e below.

Manistee Downtown Development Authority Board Meeting Minutes
March 13, 2019, 12:00 p.m. Manistee City Hall

- c. **Marketing & Promotions:** No report.
 - d. **Business Development:** No report.
 - e. **Redevelopment:** Eftaxiadis discussed MDEQ recent request for the DDA to undertake Due Care measures at the former American Cleaners property. Following discussion, there was Motion by Lind and Supported by Eftaxiadis to respond to the MDEQ and submit the Due Care Plan prepared by Compliance Inc. in November 2018 on behalf of the DDA. **Motion approved.** Eftaxiadis will work with Kaminski to submit the required documents to the MDEQ.
 - f. **Recruitment:** There was discussion on the need to employ a DDA Director to take over the duties of Kaminski whose tenure with the DDA as its Interim Executive Director will end shortly. Following discussion of the DDA's short and long term needs for an executive director, there was Motion by Lind and Supported by Zielinski to post and recruit a part-time director to initially focus on the DDA's administrative needs and responsibilities. **Motion approved by roll call of those present (YES – Brooks, DePonio, Lind, Zielinski, Wild; NO – Moser, Eftaxiadis).**
 - g. **Economic Development (other options):** No discussion
 - h. **TIF:** Kaminski reported that the TIF committee met on March 8, 2019 with Beckett & Raeder to discuss the revised TIF Plan. Another meeting has been scheduled for March 20, 2019 with himself, TIF committee members and City representatives to further discuss City services and costs to be incorporated in the Plan.
 - i. **Events:** No discussion.
 - j. **Rising Tide:** Kaminski discussed request by Joe Borgstrom, Rising Tide program consultant to meet with DDA Board members to discuss the District's economic development needs. Kaminski will coordinate. Due to her time commitments, Brooks will work with Lissette Reyes to designate another DDA representative in the Rising Tide group.
8. **Old Business:** None.
9. **New Business:**
- a. **Discussion of Strategic Planning Document & Matrix:** Due to the amount of time required to adequately discuss the findings and recommendations of the facilitator of the DDA's Strategic Planning meeting in February, Kaminski recommended, and so directed, to schedule a special meeting of the DDA Board and the facilitator. Kaminski will schedule, and provide public notice of the meeting.
 - b. **Request to Amend DDA Bylaws:** Zielinski proposed an amendment of the DDA bylaws as related to the seat of the City's Chief Executive on the Board. Following discussion, Board members felt that additional bylaws may require amendment and/or clarification, therefore the proposed amendment as well as additional potential amendments need to be discussed and drafted in collaboration with legal counsel. A Bylaws Subcommittee will be formed by the Chair to work on the bylaws with legal counsel. There was Motion by Wild and Supported by Eftaxiadis to table the discussion of bylaw amendments at this time. **Motion approved.**
 - c. **Approval to Submit an AARP Community Grant Application:** Kaminski discussed an AARP grant

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opportunity for funding to improve the entrance to the Downtown and Riverwalk per the recommendations of the MSU Downtown Manistee River Street & Rivewalk Improvement Study completed in 2018. The grant application that is due on April 17, 2019 will be drafted by Lissette Reyes of the Rising Tide on behalf of the DDA. There was Motion by Moser and Supported by Wild to authorize Kaminski to work with Rising Tide to submit an application for AARP funding for improvements to the entrance to the Downtown and Riverwalk. **Motion approved.**

- d. Approval to Submit a FY 2019-20 DDA Budget to City: Item was tabled for next month's meeting.
- e. Allocation of Funding for Parking Signage: Item was tabled for next month's meeting.
- f. Recommendation to Fund Trash Containers: Following discussion of the Design committee's recommendations concerning creation of trash collection enclosures, there was Motion by Wild and Supported by Zielinski for the DDA to eliminate trash pickup on River Street through a City ordinance amendment, and to locate two trash collection corrals within the District, and to participate in the capital cost of constructing and installing the trash corrals in an amount not to exceed \$80,000 from the fund balance. **Motion approved by roll call of those present (YES – Brooks, DePonio, Moser, Zielinski, Wild; NO – Lind, Eftaxiadis).**
- g. Funding of Anniversary Banners: Following discussion of the Design committee's recommendation, there was Motion by Lind and Supported by Zielinski to allocate \$3,500 for the purchase of 150th Year Anniversary banners and associated hardware. **Motion approved by roll call of those present (YES –, DePonio, Moser, Zielinski, Wild, Lind, Eftaxiadis; NO – Brooks)**

10. Public Comment:

Councilmember Beaton commented that at last night's work session Council recommended to amend the DDA's bylaws to enable the City Manager to sit in the DDA Board. It was also Council's consensus that the DDA should consider joining other parties in the county-wide economic development organization proposed by the Chamber of Commerce.

11. Adjournment: Meeting adjourned at 2:05 p.m.