

DOWNTOWN MANISTEE

— michigan —

City of Manistee DDA Special Meeting

Tuesday, March 23, at 10:00 a.m.

Via ZOOM

Join Zoom Meeting:

<https://us02web.zoom.us/j/81587014056?pwd=VmhydExXOWtWUFUvTTZyaklBWU5GUT09>

Meeting ID: 815 8701 4056

Passcode: 323303

Dial by your location

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-
1. **Call to Order** – Chair Mosher
 2. **Approval of Agenda**
 3. **Public Comments on Agenda Items** (5-minute limit)
 4. **2021-2022 Budget** - Kristina Bajtko and Marc Miller
 5. **Public Comment** (5-minute limit)
 6. **Comments by Board Members**
 7. **Adjourn**

Attachments

1. Budget Cover Letter
2. Draft Budget Proposal

DOWNTOWN MANISTEE

Michigan

Hello DDA Board Members,

We would like to hold a Special Meeting to finalize the 2021/2022 budget Monday, March 22 at 3:30 pm. In your packet, you will find a proposed budget with three scenarios. We are providing some bulleted notes to give you more information about each option. In our new scenarios, we address obligations for both the \$250,000 WSCC Riverwalk Plaza project as well as the \$500,000 WSCC facade agreement. These agreements and obligations dramatically affect how we budget and how we address other DDA priorities.

Option #1 - 5 Year Pay Option

- Most conservative approach with pay as you go, but will impact the DDA budget for five years
- Reserves the fund balance for contingencies
- Meets obligation for WSCC Riverwalk Plaza by paying out over 5 years
- Drastic line-item cuts are put in place to balance the budget

Option #2 - Utilizing Land Acquisition Dollars/Fund Balance

- Provides a large down payment (land acquisition fund) to WSCC to reduce annual payments on WSCC Riverwalk Plaza over 5 years.
- Utilizes \$44,000 of existing fund balance to be spent on Art Installation, Housing Position, Riverwalk Placemaking improvements, and/or Facade Grants.
- Maintains current spending levels with minimal cuts to existing lines while also meeting obligations for the WSCC Riverwalk Plaza project
- Budget is balanced

Option #3 - Bond

- Bonding projects will address DDA development plan priorities and give downtown an instantaneous investment to enhance a vibrant district and attract additional economic development projects.
- Provides a one-time payment to WSCC for the Riverwalk Plaza project and eliminates 5 annual payments from the operating budget.

- Bonding will direct funding towards Riverwalk Improvements, Facade Grant, and River Street Streetscape.
- Uses the fund balance to cover the small annual budget deficits, until we attract more capital investment and increase the tax base.
- The debt service on this bond will impact the operating budgets for the short-term facades and design projects. It will provide a one-time investment to focus on development. Future budgets can identify other areas or revenues to address needs in the future.
- The debt service could impact the operating budgets for the short facades and design projects. It will provide a one-time investment to focus on development. Future budgets can identify other areas or revenues to address needs in the future.

We ask for your review of these options and look forward to the discussion on your vision and priorities for the District.

Old Accounts/Names	New Proposed Changes	Total					
		2020-2021 Budget	2020-2021 Actual-To-Date (Jan 21 financials)	DRAFT Alternative #1 5-year payout 2021-2022 Budget	DRAFT Alternative #2 (use land acquisition) Standard Budget with Spenddown 2021-2022 Budget	DRAFT Alternative #3 Bonding Option 2021-2022 Budget	
	Cash Reserves - Fund Balance	\$298,220.00		\$360,215.00	\$360,215.00	\$360,215.00	(as of Feb. 25, general checking)
	Land Aquisition Account - Savings			\$104,835.50	\$104,835.50	\$104,835.50	(as of March 1)
	Revolving Loan Balance			\$21,482.76	\$21,482.76	\$21,482.76	(as of March 1)
				\$486,533.26	\$486,533.26	\$486,533.26	
	Community Public Art Installation Projects			\$0.00	\$4,000.00	\$0.00	
	248-657 WSCC Riverwalk Plaza			\$0.00	\$100,000.00	\$0.00	
	Riverwalk Placemaking Improvements/Facade Grants			\$0.00	\$29,000.00	\$0.00	
	Outdoor Dining Platforms - Upgraded Construction, Planters			\$0.00	\$2,000.00	\$0.00	
	River Street Placemaking Improvements			\$0.00	\$0.00	\$0.00	
	248-706 Housing Position Contribution			\$0.00	\$8,000.00	\$0.00	
	248-602 Downtown Dollars			\$1,000.00	\$1,000.00	\$1,000.00	
	Revolving Loan Fund			\$20,000.00	\$20,000.00	\$20,000.00	
	Land acquisition or projects to be determined			\$0.00	\$0.00	\$0.00	
	Bond Service and Fees - One time			\$0.00	\$0.00	\$50,000.00	
	Spend: Total One-Time Funds			\$21,000.00	\$164,000.00	\$71,000.00	
	FY21 Spend			\$195,750.00	\$195,750.00	\$195,750.00	
	Total			\$269,783.26	\$126,783.26	\$219,783.26	
	Potential Bond Projects						
	WSCC Riverwalk					240,000	
	Riverwalk improvements (decking, landscaping, lighting)					535,000	
	River Street Improvements					650,000	
	Facades - one time River Street and Riverwalk					75,000	
	Total					1,500,000	

Income		Income				
248-642 Miscellaneous Income	248-642 Miscellaneous Income	\$2,000.00	\$25.00	\$0.00	\$0.00	\$0.00
248-704 Interest Income	248-704 Interest Income	\$0.00	\$340.00	\$200.00	\$200.00	\$200.00
Total 248-642 Miscellaneous Income	Total Miscellaneous Income	\$2,000.00	\$365.00	\$200.00	\$200.00	\$200.00

Event Revenue		Event Revenue				
248-278 Spark Manistee	248-278 Spark Manistee	\$8,350.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00
248-280 Event Revenues	248-281 Hops & Props	\$48,200.00	\$0.00	\$32,000.00	\$32,000.00	\$32,000.00
248-281 Hops & Props	248-283 Sleighbell	\$15,000.00	\$0.00	\$15,000.00	\$15,000.00	\$15,000.00

Old Accounts/Names	New Proposed Changes	Total				
		2020-2021 Budget	2020-2021 Actual-To-Date (Jan 21 financials)	DRAFT Alternative #1 5-year payout 2021-2022 Budget	DRAFT Alternative #2 (use land aquisition) Standard Budget with Spenddown 2021-2022 Budget	DRAFT Alternative #3 Bonding Option 2021-2022 Budget
248-283 Sleighbell	Total Event Revenue	\$71,550.00	\$0.00	\$52,000.00	\$52,000.00	\$52,000.00
248-284 Sleighbell Sponsorships						
TIF Revenues	TIF Revenues					
248-401 TIF Revenue	248-401 TIF Revenue	\$256,370.00	\$265,509.00	\$251,000.00	\$251,000.00	\$251,000.00
248-403 Deliquent Taxes	248-403 Deliquent Taxes	\$0.00	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00
248-573 Local Comm Stabil Author	248-573 Local Community Stabilization Revenue (Authority Share)	\$0.00	\$8,380.24	\$0.00	\$0.00	\$0.00
Total TIF Revenues	Total TIF Revenues	\$256,370.00	\$273,889.24	\$276,000.00	\$276,000.00	\$276,000.00
Total Income	Total Income	\$329,920.00	\$274,254.24	\$328,200.00	\$328,200.00	\$328,200.00
Expenses	Expenses					
248-847 Advertising	Promotions & Advertising (PSAs, Public Relations)					
248-848 Advertising	248-847 Advertising	\$7,000.00	\$0.00	\$500.00	\$6,000.00	\$6,000.00
248-849 Promotional PSAs	248-851 Website Redevelopment	\$1,000.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00
248-850 Public Relations	Total Promotions & Advertising	\$8,000.00	\$0.00	\$500.00	\$7,500.00	\$7,500.00
248-851 Website Redevelopment						
Design Committee Related Expense	Design Committee Related Expense					
248-649 Hanging Basket Flowers						
248-651 City Maintenance in DDA Enh	248-651 Enhanced City Service Agreement	\$65,000.00	\$67,316.00	\$65,000.00	\$65,000.00	\$65,000.00
248-652 Facade Grant Program	248-652 Facade Grant Program	\$30,000.00	\$0.00	\$12,000.00	\$21,700.00	\$0.00
248-653 Holiday Downtown Decorati	248-653 Downtown Decorations (spring, fall, holiday)	\$7,500.00	\$3,986.00	\$8,000.00	\$8,000.00	\$8,000.00
248-659 Downtown Maintenance DD	248-659 DDA Design Projects (pavers, planters, sidewalks, lighting, updates)	\$40,000.00	\$20,624.00	\$20,700.00	\$22,000.00	\$0.00
	Downtown Development Plan Bond				\$0.00	\$100,000.00
Total Design Committee RelatedExp	Total Design Committee RelatedExpense	\$142,500.00	\$91,926.00	\$105,700.00	\$116,700.00	\$173,000.00
Office Related Operating Expenses	Office Operating Expenses (insurance, postage, printing, membership dues, travel, conferences, equipment)					
248-731 Bank Service Charges	248-867 Office Operating Expenses	\$8,245.00	\$1,054.00	\$3,000.00	\$5,000.00	\$5,000.00
248-853 Office Equipment and Suppl	Total Office Operating Expenses	\$8,245.00	\$1,054.00	\$3,000.00	\$5,000.00	\$5,000.00
248-867 Membership Dues						
Payroll and Contracted Services	Payroll and Contracted Services					
248-704 Consulting	248-702 Economic Development Contract Fees	\$15,000.00	\$7,500.00	\$15,000.00	\$15,000.00	\$15,000.00
248-702 Manistee Area Chamber of C	248-705 Executive Director Contract Fees	\$87,000.00	\$31,250.00	\$75,000.00	\$75,000.00	\$75,000.00
248-705 Executive Director Contract	248-706 Housing Position Contribution	\$8,000.00	\$0.00	\$0.00	\$0.00	\$0.00
248-706 Housing Position Contributi	Total Payroll and Contracted Services	\$110,000.00	\$38,750.00	\$90,000.00	\$90,000.00	\$90,000.00
248-707 Employer FICA Expense						
Professional Fees Expenses	Professional Fees Expenses					
248-901 Accounting	248-901 Accounting	\$4,800.00	\$1,800.00	\$5,000.00	\$5,000.00	\$5,000.00
248-902 Legal Fees	248-902 Legal Fees	\$1,500.00	\$662.50	\$2,500.00	\$2,500.00	\$2,500.00

		Total				
Old Accounts/Names	New Proposed Changes	2020-2021 Budget	2020-2021 Actual-To-Date (Jan 21 financials)	DRAFT Alternative #1 5- year payout 2021-2022 Budget	DRAFT Alternative #2 (use land acquisition) Standard Budget with Spenddown 2021-2022 Budget	DRAFT Alternative #3 Bonding Option 2021-2022 Budget
248-904 Annual Audit	248-904 Annual Audit	\$2,500.00	\$0.00	\$1,500.00	\$1,500.00	\$1,500.00
248-906 TIF Plan Redevelopment	248-906 TIF Plan Redevelopment	\$608.00	\$0.00	\$0.00	\$0.00	\$0.00
248-907 Strategic Plans	248-907 Strategic Plans	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Professional Fees Expenses	Total Professional Fees Expenses	\$10,158.00	\$2,462.50	\$9,000.00	\$9,000.00	\$9,000.00

Projects	Projects					
248-602 Downtown Dollars Program	248-602 Downtown Dollars Program	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00
248-657 WSCC Riverwalk Plaza	248-657 WSCC Riverwalk Plaza	\$10,000.00	\$0.00	\$48,000.00	\$28,000.00	\$0.00
248-658 WSCC Partnership	248-658 WSCC Partnership	\$30,000.00	\$0.00	\$20,000.00	\$20,000.00	\$20,000.00
	248-752 MSU Study Projects		\$0.00	\$0.00	\$0.00	\$0.00
Total Projects	Total Projects		\$0.00	\$68,000.00	\$48,000.00	\$20,000.00

~~Promotions Committee Expenses~~

248-751 Promotions Committee Exp	Event Expense					
Spark	Spark (need account number)	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00
248-764 Sleighbell Weekend	248-764 Sleighbell	\$15,000.00	\$0.00	\$15,000.00	\$15,000.00	\$15,000.00
Hops and Props	Hops and Props (need an account number)	\$31,200.00	\$0.00	\$32,000.00	\$32,000.00	\$32,000.00
Total 248-751 Promotions Committee	248-751 Other Misc (Special Projects, Ad hoc committees)	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Promotions Committee Expense	Total Event Expenses	\$53,200.00	\$0.00	\$52,000.00	\$52,000.00	\$52,000.00
Total Expenses						
Net Operating Income	Total Expenses	\$332,103.00	\$134,192.50	\$328,200.00	\$328,200.00	\$356,500.00
Net Income	Net Operating Income	\$329,920.00	\$274,254.24	\$328,200.00	\$328,200.00	\$328,200.00
Cash Reserves	Net Income	-\$2,183.00	\$213,724.73	\$0.00	\$0.00	-\$28,300.00

Additional Projects

Cash Balance	Cash Reserves (general fund, land acquisition, revolving loan balances)	\$298,220.00		\$486,533.26	\$486,533.26	\$486,533.26
	Additional Projects (one time spend down)			\$21,000.00	\$164,000.00	\$71,000.00
	FY21 Spend			\$195,750.00	\$195,750.00	\$195,750.00
	Cash Balance			\$269,783.26	\$126,783.26	\$219,783.26