

**DOWNTOWN DEVELOPMENT AUTHORITY
FINANCE COMMITTEE
GOVERNMENTAL CENTER
Second Floor Committee Room
400 Boardman Avenue, Traverse City, MI 49684**

**Monday, November 8, 2021
9:30 am**

**Downtown Development Authority
Finance Committee
Agenda**

1. Roll Call
2. Chair of Finance, Treasurer of DDA
3. Approval of Minutes from
4. Review of Staff Appreciation Week
5. Review of TIF 97, Old Town TIF and DDA General Finances
6. Discussion of 2022/2023 Capital Improvements
7. Public Comment
8. Other Business
9. Adjournment

The Traverse City Downtown Development Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The DDA CEO has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.

Downtown Development Authority
Finance Committee Minutes
June 14, 2021
Virtual Zoom Meeting

Scott Hardy called meeting to order at 9:32am

Present: Scott Hardy, Gabe Schneider, Richard Lewis, Damian Lockhart, Steve Constantin

Also Present: Jean Derenzy, Scott Howard, Mike Wills, Tim Burden

Opening Public Comment: **None**

Approval of Minutes April 12, 2021: **MOVED** by Lewis seconded by Constantin to approve minutes of April 12, 2021 as presented. **APPROVED unanimously.**

Uptown Development Request for Participation: Mike Wills met with Hardy and Schneider to review potential participation on costs associated with Uptown Development. Participation can be completed through several approaches. Derenzy and Howard identified as this is a brownfield project, with the DDA participating through the Riverwalk and other public infrastructure that a review of the request through staff and with the brownfield participation would be appropriate.

MOVED by Schneider seconded by Constantin that staff work with Mike Wills and Uptown Developer's to bring back recommendation to Finance Committee. **Approved unanimously.**

Staffing: Derenzy reviewed positions that have been vacated being Office Manager, vacated for over a year and the Events Coordinator that was recently vacated. Positions will be posted and interviews scheduled. Derenzy is anticipating that positions will be filled by the end of Summer.

Current Fiscal Year Budgets: Review of financials for DDA General, TIF 97 and Old Town. Information only.

Other Business: None.

Closing Public Comment: None.

Scott Hardy, Chair



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Memorandum

To: Finance Committee
From: Jean Derenzy, DDA CEO
Date: November 4, 2021
Subject: Finance Committee

Chair of Finance Committee:

Per DDA Bylaws, the chair of the finance shall be the treasurer of the DDA. Unless, the treasurer declines. As you are aware, Steve Constantine was the previous treasurer of the DDA and the nomination went to Scott Hardy. Jeff Joubran is the new treasurer of the DDA and has expressed his interest chairing the finance committee.

Staff Appreciation:

I have reviewed the request made by Mayor Pro Tem Amy Shamroe and reviewed by Chair Gabe Schneider proposing an idea of additional paid time off for "Staff Appreciation Week" during the week between Christmas and New Year for full-time employees which included Light and Power and DDA Employees. This benefit is a thank you to all full-time employees after the tough 1-2 years we have experienced, and time off would be taken during the week of December 27, 2021, if operations allow.

The City of Traverse City approved for their full-time employees this appreciation. The DDA Board has been asked to consider this request for our organization's employees. When reviewing the proposal, I am recommending that the DDA offer this appreciation to employees and follow the same protocols that the City followed:

- The total hours awarded to each employee for appreciation shall be 24 hours.
- Employees will be paid out 24 hours of time or provided 24 hours Paid Time Off (PTO), and allowed to use those hours until June 30, 2022.
- This additional benefit is one time only in nature.
- Cost (value of time) DDA employees is approximately \$11,000.
- Funds will come out of the DDA general fund payroll budget.

Finance Committee

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This is an awesome way to say thank you and to allow our employees to focus on wellness and family during the holidays. I am recommending that the Finance Committee recommend to the full DDA approval of Employee Appreciation week.

Financials/Upcoming 21/22 Budget

Attached are the October financials for all three budgets (DDA, TIF 97 and Old Town).

At Monday's meeting I will discuss with the Board the financials attached along with the work on the new budget that is currently being worked on. The Capital Improvement Plan is the focus for TIF 97 and Old Town in the next few weeks. For TIF 97 the most substantial projects are the 100 and 200 block Riverwall/plaza; East Front Street; Grandview Parkway (lighting); Civic Square and West End Parking Deck.

Audit:

We are currently working on our 2020/2021 audit and anticipate having the auditors onsite the week of November 15.

Traverse City DDA - TIF 97

Budget vs. Actuals: 2021-22 Budget - FY22 P&L

July - October, 2021

	TOTAL		
	YTD ACTUAL AT 10/31/21	ANNUAL BUDGET	BUDGET REMAININ
Income			
4100 TAXES			
4101 Property Taxes	1,930,691.89	3,106,550.00	1,175,858.11
Total 4100 TAXES	1,930,691.89	3,106,550.00	1,175,858.11
4300 REIMBURSEMENTS	185,975.93	130,000.00	-55,975.93
4500 INTEREST INCOME			
4501 Interest & Dividends		4,500.00	4,500.00
Total 4500 INTEREST INCOME		4,500.00	4,500.00
Total Income	\$2,116,667.82	\$3,241,050.00	\$1,124,382.18
GROSS PROFIT	\$2,116,667.82	\$3,241,050.00	\$1,124,382.18
Expenses			
5300 OFFICE SUPPLIES AND UTILITIES	5,960.00		-5,960.00
5400 PROFESSIONAL SERVICES	47,971.47	739,300.00	691,328.53
5401 Contract Services	74,611.91		-74,611.91
5405 Administrative	155,587.50		-155,587.50
Total 5400 PROFESSIONAL SERVICES	278,170.88	739,300.00	461,129.12
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	33,262.58	1,708,000.00	1,674,737.42
5600 CONTRIBUTIONS TO OTHER GOVERNMENTS-DEBT SERVICE		931,550.00	931,550.00
Bank Charges	1,199.70		-1,199.70
Printing & Publishing		200.00	200.00
Purchases	6,565.00		-6,565.00
Repairs and Maintenance	17.62	15,000.00	14,982.38
Taxes Paid	6,786.39		-6,786.39
Transfer Out to Bond Fund	64,945.09		-64,945.09
Total Expenses	\$396,907.26	\$3,394,050.00	\$2,997,142.74
NET OPERATING INCOME	\$1,719,760.56	\$ -153,000.00	\$ -1,872,760.56
NET INCOME	\$1,719,760.56	\$ -153,000.00	\$ -1,872,760.56

DDA Old Town TIF

Budget vs. Actuals: 2021-22 Budget - FY22 P&L

July - October, 2021

	TOTAL		
	ACTUAL YTD AT 10/31/21	ANNUAL BUDGET	REMAINING BUDG
Income			
4100 TAXES			
4101 Property Taxes	282,586.26	555,000.00	272,413.74
Total 4100 TAXES	282,586.26	555,000.00	272,413.74
4500 INTEREST INCOME			
4501 INTEREST & DIVIDENDS		100.00	100.00
Total 4500 INTEREST INCOME		100.00	100.00
Total Income	\$282,586.26	\$555,100.00	\$272,513.74
GROSS PROFIT	\$282,586.26	\$555,100.00	\$272,513.74
Expenses			
5400 PROFESSIONAL SERVICES	0.00		0.00
5403 Professional/Contractual	68,412.50	215,750.00	147,337.50
Total 5400 PROFESSIONAL SERVICES	68,412.50	215,750.00	147,337.50
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	189.35	562,000.00	561,810.65
Printing & Publishing		100.00	100.00
Purchases	58.38		-58.38
Total Expenses	\$68,660.23	\$777,850.00	\$709,189.77
NET OPERATING INCOME	\$213,926.03	\$ -222,750.00	\$ -436,676.03
NET INCOME	\$213,926.03	\$ -222,750.00	\$ -436,676.03

Traverse City DDA - General

Budget vs. Actuals: 2021-22 Budget - FY22 P&L

July - October, 2021

	TOTAL		
	YTD ACTUAL AT 10/31/21	ANNUAL BUDGET	REMAINING BUDGET
Income			
4100 TAXES			
4101 Property Taxes	121,188.10	137,500.00	16,311.90
Total 4100 TAXES	121,188.10	137,500.00	16,311.90
4200 GRANTS & CONTRIBUTIONS		438,000.00	438,000.00
4202 Grants income	11,576.99		-11,576.99
4204 Grants - EGLE cornwell	66,912.05		-66,912.05
4210 Grants & Contributions Healthy Drinking Culture Grant	23,700.32		-23,700.32
Total 4200 GRANTS & CONTRIBUTIONS	102,189.36	438,000.00	335,810.64
4300 REIMBURSEMENTS		1,321,000.00	1,321,000.00
4302 Administrative Services	514,640.00		-514,640.00
4303 Miscellaneous Revenue	1,429.01		-1,429.01
4305 Farmers Market online Revenue	38,676.40		-38,676.40
Total 4300 REIMBURSEMENTS	554,745.41	1,321,000.00	766,254.59
4401 Rents		90,000.00	90,000.00
4501 Interest & Dividends	320.93	600.00	279.07
4999 Uncategorized Income	49,810.13		-49,810.13
Sales	2,650.89		-2,650.89
Total Income	\$830,904.82	\$1,987,100.00	\$1,156,195.18
GROSS PROFIT	\$830,904.82	\$1,987,100.00	\$1,156,195.18
Expenses			
5100 SALARIES		858,000.00	858,000.00
5101 Salaries & Wages	139,837.96		-139,837.96
5102 Hourly Wage Expense	132,899.42		-132,899.42
Total 5100 SALARIES	272,737.38	858,000.00	585,262.62
5200 FRINGE BENEFITS	4,900.00	310,000.00	305,100.00
5201 Health Insurance	17,134.88		-17,134.88
5202 Disability Insurance Benefits	2,217.67		-2,217.67
5203 Life Insurance Expense	1,048.41		-1,048.41
5204 457 Company Matching	22,845.92		-22,845.92
5208 Social Security Tax Expense	17,983.83		-17,983.83
5209 Medicare Tax Expense	4,205.80		-4,205.80
5210 SUTA Tax Expense	486.48		-486.48
5211 Workers Compensation	7,143.00		-7,143.00
Total 5200 FRINGE BENEFITS	77,965.99	310,000.00	232,034.01
5300 OFFICE SUPPLIES AND UTILITIES	324.00	85,800.00	85,476.00
5301 Office Supplies	7,807.40		-7,807.40
5302 Utilities	2,104.25		-2,104.25
5303 Operation Supplies	1,022.61		-1,022.61
5304 Equipment	5,047.28		-5,047.28
5305 Dues and Memberships	3,349.73		-3,349.73

Traverse City DDA - General

Budget vs. Actuals: 2021-22 Budget - FY22 P&L

July - October, 2021

	ACTUAL	TOTAL	
		BUDGET	REMAINING
5306 Printing & Publishing	85.00		-85.00
5307 Communications	3,369.65		-3,369.65
5308 Miscellaneous Expense	2,521.29		-2,521.29
5309 Civic Square		100,000.00	100,000.00
Total 5300 OFFICE SUPPLIES AND UTILITIES	25,631.21	185,800.00	160,168.79
5400 PROFESSIONAL SERVICES		836,000.00	836,000.00
5401 Contract Services	34,640.00		-34,640.00
5402 Legal	21,315.00		-21,315.00
5403 Professional/Contractual	17,360.29		-17,360.29
5405 Community Promotion	3,252.49		-3,252.49
5415 Online Farmers Market Expense	39,009.03		-39,009.03
Total 5400 PROFESSIONAL SERVICES	115,576.81	836,000.00	720,423.19
5500 TRAVEL AND CONFERENCES	2,204.72	35,000.00	32,795.28
5501 Lodging, meals	347.47		-347.47
Total 5500 TRAVEL AND CONFERENCES	2,552.19	35,000.00	32,447.81
5600 REPAIRS AND MAINTENANCE		3,000.00	3,000.00
5700 RENTAL EXPENSE		80,000.00	80,000.00
5701 Rentals	637.25		-637.25
Total 5700 RENTAL EXPENSE	637.25	80,000.00	79,362.75
Uncategorized Expense	5,012.82		-5,012.82
Total Expenses	\$500,113.65	\$2,307,800.00	\$1,807,686.35
NET OPERATING INCOME	\$330,791.17	\$ -320,700.00	\$ -651,491.17
Other Expenses			
Ask Jean	-95,549.28		95,549.28
Total Other Expenses	\$ -95,549.28	\$0.00	\$95,549.28
NET OTHER INCOME	\$95,549.28	\$0.00	\$ -95,549.28
NET INCOME	\$426,340.45	\$ -320,700.00	\$ -747,040.45

DRAFT FOR DISCUSSION PURPOSES

CIP Project Breakdown -	Project Cost			TIF 97 Allocation		
	Construction	Engineering	Total	Construction	Engineering	Total
North Cass Street Bridge Rehabilitation	1,160,000	183,000	1,343,000	63,500	183,000	246,500
Park Street Bridge Repair	616,260	24,705	640,965	125,295	24,705	150,000
South Cass Street Bridge Repair	744,142	62,578	806,720	34,711	31,289	66,000
South Union Street Bridge Repair	1,134,000	189,000	1,323,000	4,170	88,830	93,000
West Front Street Bridge Replacement	1,791,133	38,405	1,829,538	181,585	38,405	220,000
Civic Square	5,880,000	120,000	6,000,000	880,000	120,000	1,000,000
Farmer's Market		25,000	TBD		25,000	
State Street Streetscapes/Snow Melt Projects	\$ 8,000,000	\$ 800,000	\$8,800,000.00	\$8,000,000.00	\$800,000.00	\$8,800,000.00
Stormwater Management	\$ 4,500,000	\$ 450,000	\$4,950,000.00	\$4,500,000.00	\$450,000.00	\$4,950,000.00
Workforce Housing	238,000	30,000	268,000	238,000	30,000	268,000
West Front Parking Structure	200,000	-	200,000	200,000	-	200,000
State/Boardman/Pine Street Two-Way Conversion	21,715,600	1,258,750	20,400,000	19,200,000	1,258,750	20,400,000
Front Street Streetscapes/Snow Melt Projects	1,100,000	132,000	1,232,000	400,000	25,000	425,000
State Street Streetscapes/Snow Melt Projects	1,100,000	132,000	1,232,000	550,000	66,000	616,000
Tree Replacement	150,000	-	150,000	500,000	66,000	500,000
TOTAL	48,329,135	3,445,438	49,175,223	106,731,813	6,230,958	77,154,500