

**Minutes of the Downtown Development Authority
City of Portland**

Held on Thursday, April 19, 2007
In Council Chambers at City Hall

Members Present: Barnes, Briggs, Clement, Dempsey, Dumas, Pontz, Urie

Members Absent: Antaya, Kavanagh, Kolarik,

Guests: None

Chairman Dumas, called the meeting to order at 3:34 P.M.

Motion by Barnes, supported by Pontz, to approve the agenda as presented
All in favor. Adopted

Motion by Pontz, supported by Barnes, to approve the minutes of the March 15, 2007
meeting.
All in favor. Adopted

Motion by Barnes, supported by Pontz, to approve the Treasurer's Report, plus the addition of two
invoices from Fleis and VandenBrink for engineering for the Riverside Façade Project for
\$13,860.00.
All in favor. Adopted

D.D.A. Director Christensen stated the City has turned in its Environmental Assessment required
with the Riverside Façade Project to the State. She said this is good news because we need to get
our notices in the paper for bids.

Boardmember Pontz asked Ms. Christensen if the funding would have any impact on the project
because of cuts being made and the grant moratorium at the State level. Mrs. Christensen replied
that the funding is from the Federal Government. It is a CDBG Grant.

City Manager Dempsey stated he spoke with the people from MSHDA and they are still releasing
the funds. He stated we are currently spending the local match funds for this project, and will not
be able to spend grant funds until we get the environmental clearances. He stated we did get a
release from MSHDA to pay for the engineering with the local match portion.

D.D.A. Director Christensen stated that she would like to implement an Internal Control Process for
DDA and Main Street purchases. A copy was supplied for Board review. She stated the purpose of
the internal control is to clarify the approval process for the Main Street Committees, the Main
Street Manager, D.D.A. Director, and the D.D.A.. She stated she would like to get some steps in
place so we know what to do when we need to approve purchases. The packet also included a form
for purchase orders that will be available, if approved, to give to all the committees.

This form will be used when a committee wants to spend some money, and their request is to be sent to the D.D.A. for consideration. She stated she would also like to keep the same requirements as the City for approval of funds. The D.D.A. Director has the authority to authorize up to \$500 and the City Manager has the authority to authorize up to \$5,000 for expenses.

Mayor Barnes asked Ms. Christensen to differentiate the work plans that the committees have from a budget. Ms. Christensen stated that the work plans for the committees is a sort of wish list that the committees want to be doing during the year. She stated hopefully, it is based on the reality of the funds that are available. She stated when it is time to move ahead with a project, it is important to make sure that there are funds available in the event that something else came up.

Boardmember Urie asked for clarifications on the work plan stating the committee would create a work plan, create a budget, and turn it for an approval, which basically it is a preliminary budget until approved. Ms. Christensen replied, "Correct".

Commissionmember Clement stated he thought there was already a plan in place for the committees. He said, "To me this is just adding another step in the bureaucracy process". He stated the way he understood it is the Finance Committee oversees the total budget of the Main Street Committees. He stated we select our project ahead of time, get our approval for the funds, and as we go through the year it is the domain of the Finance Committee to handle things. He stated it seems like we are going to add a month to our approval process.

Ms. Christensen stated she took the position in November, and she has not found a process for budget spending. She stated she did not see internal control of the spending.

City Manager Dempsey reiterated the procedure that is outlined in Ms. Christensen's Internal Control Process is much the same as for the City of Portland. He stated that the \$500 threshold is the same as the City Department Heads, the City Manager can approve up to \$5,000, and anything over \$5,000 needs Council approval. He stated the work plans were developed by each of the committees to make us efficient in having a road map in terms of what we want to do. He stated the work plan was used to plan an estimated budget for the committees. The budget for Main Street still needs to be approved by the D.D.A.

Boardmember Clement stated the work plan was developed by Don Flanders in 2004 and there was too much discretion on his part.

Mayor Barnes stated that the \$500 threshold is the same as the City; however, the Main Street Organization is not the City. He said, "The question is, is this type of planning and decision making in the hands of the D.D.A., the Main Street Committees, or in the hands of the Main Street Director. Mayor Barnes also asked Ms. Christensen if the Internal Control Process had been presented to the Main Street Committees for recommendation before the D.D.A. acts on it. She stated that she brought it to the D.D.A. first. She also stated she had an opportunity to talk to the State about the budget process for the Main Street Committees, and their response was that the D.D.A. controls what happens with the Main Street Committees.

Mayor Barnes stated volunteers are there because they are trying to help and if you take that away it might undermine their credibility as part of the organization to just dictate to them. Ms. Christensen replied we are not trying to dictate to anyone we would just like to have a management system, especially when it comes to large figures and balancing a budget. Mayor Barnes stated he would like the Main Street Committees to give input in the Internal Control Process.

Chairman Dumas stated we are putting Ms. Christensen in a difficult situation by listening to all the comments of the committee. He said sometimes we are our own worst enemies because we work with the Main Street Committees, establish the budget and plan, and then the D.D.A. does something else that impacts their budgets. He stated when the D.D.A. does something that benefits the community we don't always think about how it impacts the committees. He said something has to be done because we can't have it both ways.

Mayor Barnes stated he didn't think the process that was in place before was ever used.

Commissionmember Pontz stated she looked at the Internal Control Process as a procedural process so that anyone in Ms. Christensen's position could keep track of what is being spent by what committee. She gave several examples of changes to the Internal Control Process. She stated the D.D.A. Director would not know what any committee is spending unless she is given a copy of a purchase order or a receipt.

City Manager Dempsey agreed there should be a purchase order process so when the committees come together with a plan they have the funds available to do something. He stated the D.D.A. can not advocate its responsibility to spending the public money to anyone else volunteers or otherwise. He stated you have a certain dollar threshold that the City Manager can approve and if the funds exceed his authority, it should then come to the D.D.A. for approval before the cost is incurred. He said, "Otherwise you are putting someone else in a difficult situation where a cost is incurred first and then the D.D.A. says no". He asked who would be responsible for the payment. He stated the purchase order process says we have the money in our budget, we want to spend the money for a project, and there is no reason it should not be approved.

Boardmember Clement stated that small increments of money should be able to be approved by the committees and not have to be before the D.D. A. City Manager Dempsey stated under the proposed procedure, the D.D.A. Director would have the authority to authorize up to \$500. He stated all you would have to do is to write up a purchase order and she could approve it without waiting for the next D.D.A. meeting.

City Manager Dempsey stated that the Internal Control Process is subject to amendment. He said if we find that \$500 is an unworkable number and you want greater flexibility, we can look at amending the dollar threshold based upon experience.

Motion by Dempsey, supported by Urie, to implement an interim process for Internal Control for DDA and Main Street purchases orders by cleaning up or adding language, talking with the committees, and then coming back to the D.D.A. for recommendation and approval.

Yeas: Dempsey, Urie, Barnes, Briggs, Dumas, Pontz

Nays: Clement

Adopted

Boardmember Clement stated he is on the D.D.A. and is also a volunteer on a Main Street Committee and sometimes people lose site of the fact that they are working with volunteers. He said, "When we initially went through the whole planning and budget process we were very excited about it, then at some point we felt like we did a lot of work for nothing and our voices are not being heard". Please let the volunteers give input in decisions regarding their committees because we are volunteer organizations. He said, "Please keep communications open".

City Manager Dempsey agreed that Mr. Clement made some valid points, and to make sure when this Internal Control Process goes to the committees they know it is an interim policy until we get their input. He stated he hopes also that it will empower the committees on the budget and spending process. He stated when they submit the purchase order to do a project, it makes it real.

Boardmember Urie asked if a grant opportunity comes along for the City are the Main Street budgets going to be the first target. City Manager Dempsey replied the Main Street budgets can only be amended with the consent of the D.D.A. He suggested that all D.D.A. Boardmembers get involved in a Main Street Committee. He stated there is not a lot of money in the budget for any more large projects for the next few years so we can focus more on Main Street.

Chairman Dumas stated that once Ms. Christensen gets a handle on the budget, and if any more grants come before the D.D.A. that would impact our budget, she would be able to readily say this is what we can do, here is where the money will come from, so we can make an informed decision.

Ms. Christensen discussing the budget stated for the next two years the budget is in the black. Boardmembers reviewed a copy of the proposed budget as she spoke. She said, "Unfortunately the Main Street budget was cut the most". She stated that this budget has significant changes and one is there will be some revenues and that is due to money coming in from the State and Federal Governments. She also stated there is \$37,000 that had to be borrowed from the general fund that will be paid back over the next two years in debt principle and interest for City Hall. She stated for the rest of this fiscal year ending June 30th, we had to cut the Main Street funds down from \$29,000 to \$15,000. She stated that only leaves Main Street with about \$3,500 until the end of the fiscal year.

City Manager Dempsey added that this D.D.A. budget is balanced, and for 2007-08 they are projecting the spending to be \$73 less then their revenues, which is something the have not done in preceding years. He stated we have spent into fund balance the past few years, and we are at a point where there isn't a fund balance to spend into.

Mayor Barnes stated there is a lot of money spent to pay the debt for City Hall and the Main Street Program wasn't anticipated when we incurred some of the other obligations.

Motion by Barnes, supported by Pontz, to approve the proposed 2007-08 FY Budget.
All in favor. Adopted

Ms. Christensen stated that she was handed an invoice from the Economic Revitalization Committee for a Small Incentives Business Program. She stated the invoice of \$1,500 from Netserve, Inc. does not work with the funds that the Main Street budget has left. The money left in the budget is to help with the programs that are coming up soon, and she will also be attending a conference next week. She said, "We need to spend the money that is left wisely".

She stated she is under pressure to get this budget to work and feels that the invoice for \$1,500 will not work for the budget right now.

Boardmember Clement stated he knows the gentleman that will be doing the design for the website, and he would be willing to start the design process for a third of the amount now, and catch up with the balance in the next fiscal year. He stated this project will get 10 websites posted for the price of 5. He stated that Netserv, Inc. will be doing design services that he will not billing for. He said, "This is an extremely good deal for us".

Boardmember Pontz left the meeting at 4:15 P.M.

D.D.A. Director Christensen stated she agrees with Boardmember Clement; however, there are not businesses signed up for the program yet. She stated she feels that we should have businesses committed to the project before committing money to it.

Boardmember Urie stated as a business owner it would make more of an impact for her if the project was up and running and ready to go, instead of saying it will be done sometime in the future.

Boardmember Clement stated it will take the gentleman time to get the program up and running and to get business owners qualified for the program. He said he can begin now and finish in the next fiscal year. He also stated he would get more details from Netserv, Inc. and bring it back to the Board at their next meeting.

City Manager Dempsey stated if Netserv, Inc. would be willing to start for \$500, then that is an amount that can be approved by the D.D.A. Director so the invoice would not have to wait another month for Board approval.

Mayor Barnes pointed out that the DDA Director's ability to approve or not approve a request dictated the activities of the committees. Boardmembers suggested adding wording in the Internal Control Process that if an invoice is denied by the D.D.A. Director, the decision can then be appealed to the D.D.A. directly.

Motion by Urie, supported by Clement, to approve the 1/3 bill from Netserv, Inc. so that the Economic Revitalization Committee can move forward with its Small Incentives Business Program. All in favor.

D.D.A. Director Christensen explained that Portland Pay Day is an incentive for Portland shoppers to buy locally and buy often. She stated that letters were sent to all Portland Community Merchants and if they want to sign up for the program all they have to do is to send her a check for \$110.00. She stated a poster will be placed in their window stating they are a participating member. Consumers will put their receipts in for drawing. She thanked Boardmember Urie for initiating the program. She stated she would like to go beyond the D.D.A. limits to offer this good will program to other businesses in the community.

Motion by Dumas, supported by Barnes, to approve going beyond the boundaries of the D.D.A. district to include the community in the Portland Pay Day Program.

All in favor. Adopted

D.D.A. Director Christensen stated that her last class will be April 30th. She will be graduating from college, and hopefully her next month's check will show her increase in wages.

City Manager Dempsey stated he hopes to have a Ribbon Cutting Ceremony for the boardwalk at 5:30 P.M. on May 15th in conjunction with Mayor Exchange with the City of Lowell. He stated he hopes to have the Portland Public School Marching Band lead the march across the boardwalk. He also stated he hopes to have a small reception at the Art of Giving before the ceremony.

Ms. Christensen reminded Boardmembers of the pancake breakfast that will be held at the Senior Center on May 20th from 9:00 A.M. to 2:00 P.M.

Boardmember Clement stated that he and Julie purchased the Hayward building located at 143 Kent Street and explained their plans to launch a Retail Incubation Center in the fall. He stated it will provide a space where people wishing to start a business will be provided a small space to start their business with low overhead.

Boardmembers Clement stated there will be a Rummage Sale at his building located at 143 Kent Street on Friday and Saturday of this week.

Boardmember Clement stated at a committee meeting this morning one of the issues they discussed was fund raising events to raise money for the project they wish to do, but do not have the money available.

Mayor Barnes stated there will be a Spring Sports Carnival on Saturday at Portland High School beginning at 10:00 A.M.

Boardmember Urie reminded Boardmembers that there are still two openings on the D.D.A.

City Manager Dempsey reminded the Boardmembers that this Saturday, April 21st is the Citywide Clean-Up at no cost to city residents. Volunteers are also needed for the Boardwalk Clean-Up Project.

Motion by Dempsey, supported by Clement, to adjourn the meeting at 4:34 P.M.
All in favor. Adopted

Respectfully submitted,

Vicki Pontz, Secretary