

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

Held on Thursday, November 17, 2016

In Council Chambers at City Hall

Members Present: Dumas, Antaya, Barnes, Gorman, VanSlambrouck, Briggs, Blastic, Grimminck, Urie, Clement

Absent: Tyler

Staff: DDA/Main Street Director Perry, Finance Officer Kinde (City Clerk Miller on vacation)

Guests: Tim Perry, Lee and Sally Francis, Stacy Adams, Aaron Urie, David Lange, Michaela Marks; Kathy Ness; Marjie Boynton

Chair Dumas called the meeting to order at 3:30 P.M.

Chair Dumas noted that Public Comment should be added to the Agenda.

Motion by Antaya, supported by Clement, to approve the Agenda with the addition of Public Comment.

All in favor. Adopted.

Chair Dumas opened the floor for Public Comment.

There was no public comment.

Motion by Antaya, supported by Blastic, to approve the minutes of the October 20, 2016 meeting as presented.

All in favor. Adopted.

Mayor Barnes stated that the bill from S&K Trophies included a charge of \$50 for medallions. He inquired why that portion of the bill had not been paid.

Director Perry stated that she paid the \$50 for the medallions as they were a personal gift to the volunteers.

Motion by Barnes, supported by Grimminck, to approve the Treasurer's Report as presented.

All in favor. Adopted.

Under Chair's Report, Director Perry stated that she was looking for feedback from the entire board on the Michigan Main Street and National Main Street Accreditation Visit that took place on November 9, 2016 as she wasn't a part of all of the meetings.

Chair Dumas thought the day went well. His takeaway was that the National Main Street organization is looking for a "refresh" of the Main Street program with more emphasis on

projects and initiative of the group. They would like to see a strategic plan in place. They will come back at the end of January to help with this planning process.

Other board members concurred with the feedback provided by Chair Dumas.

Mayor Barnes inquired about Director Perry's feedback from the visit.

Director Perry stated the feedback she received was more on a personal level on ways to work with the Board.

Mayor Barnes asked if they addressed having "too many irons in the fire".

Director Perry stated that they did not address that at all. She further stated she has responsibilities outside of Main Street and her 40-hour work week. She works with downtown businesses, the theatre and the Chamber of Commerce outside of her Main Street hours.

Mayor Barnes expressed his concern as these issues were discussed with the Board.

City Manager Gorman stated there should be no appearance of conflicts of interest. Being engaged with the community is not an issue but the position is paid by tax payer funds so there should be no appearance of conflict. The issue is maintaining the integrity of the position in a public sector position.

Director Perry stated that she is open to suggestions by the Board.

Member Urie noted that representative's of the National Main Street organization did consider good relationships with other organizations in the community to be a plus.

Under New Business, Chair Dumas offered Director Perry the option to go into closed session for discussion of the DDA/Main Street Director's Employment Contract.

Director Perry asked for clarification.

Chair Dumas stated that no decision would be made but the Board and Director Perry could adjourn to a closed meeting for discussion of the contract.

Director Perry stated that she didn't require a Closed Session.

Chair Dumas stated the DDA Director/Main Street Director's Employment Contract was approved by the DDA at its meeting on October 20, 2016 and was approved by the City Council at its meeting on November 7, 2016 with a deadline to be executed by 5:00 P.M. on November 9, 2016. Director Perry did not sign the contract therefore there is no contract at this time.

Chair Dumas further stated the subcommittee met and recommended by majority that as Director Perry is an at-will employee then her current contract should be terminated immediately due to lack of confidence in the performance of her duties.

Member Urie stated that as a member of the committee she is not in favor of this decision has Director Perry has not been given an evaluation or opportunity to correct any issues.

Member Clement stated he is not in favor of this decision. He stated that he does not feel a resolution from the City Council is needed. He stated his feeling that the DDA is abdicating its power by having the City Manager get an attorney to write up the proposed contract. The DDA should have its own attorney. He stated there were many meetings with only 2 to 3 people and City staff was present explaining what should be done. He further stated the DDA should have its own contracts and do their own hiring.

Member Grimminck stated that she has not been part of any other meetings and this is the first she's heard of any performance issues. She stated her feeling that the DDA Board should have discussed these issues. She thought it was just the employment contract being negotiated and now it is has escalated to the termination of employment. No performance concerns have been shared to this point.

City Manager Gorman reiterated in regard to the previous conversation his belief that the DDA Director should be connected in the City with different organization but the analysis is different; there is a need to ensure that the two are separate.

City Manager Gorman stated the DDA district was created by the City of Portland many years ago. The DDA is separate and has autonomy but at the same time it is a component unit of the City of Portland. The positions on the DDA board are not elected; they are appointed by the Mayor and City Council. The DDA Act clearly states that a DDA can employ a director subject to the approval of the governing body. City Manager Gorman further stated the DDA is not its own government, it is not independent. It is a public body subject to laws such as the Open Meetings Act and the Freedom of Information Act.

City Manager Gorman stated that the goal of the City is to always keep issues above board. He explained that in March a new law was introduced that changed the salary threshold for salary exempt employees from \$23,000 to \$47,000 per year. The only person that fell into this category was DDA/Main Street Director Perry. As the DDA is a component unit of the City of Portland, City staff is responsible for payroll and administration and therefore had to prepare for the new law set to take effect on December 1, 2016. The DDA had two choices, either raise the salary of the DDA/Main Street Director to \$47,000 per year or to make the position hourly and start tracking time worked. The consensus of the Board was for the DDA/Main Street Director to go hourly and start tracking time worked. Over the months since there has been a complete dialogue and resistance from DDA/Main Street Director Perry to track her time.

Director Perry clarified that her resistance was not in tracking her time but was who it should be reported to.

City Manager Gorman stated that as the DDA does not have a labor attorney on staff he was asked to write up a contract with the help of the City's attorney. There were some board members that did not feel comfortable with City being involved in writing the contract so Chair

Dumas created a subcommittee so there would be involvement by the board members and Director Perry. Director Perry submitted the changes she wanted made to the contract in writing. The subcommittee went over her requested changes and made changes to the contract. The contract was approved by the DDA board at its meeting on October 20, 2016 and it was submitted to the City Council, according to the law, for approval at its meeting on November 7, 2016.

City Manager Gorman stated that this has been an ongoing process for months and the frustration from some of the board members may come from their wish that Director Perry would track her time and be done with this issue. The issue that Director Perry had with oversight by the City Manager was completely taken out of the contract. The committee was trying to do whatever could be done to make sure all the parties involved were happy. City Manager Gorman further stated there was a 3-week time period from the DDA's approval of the contract to Council's approval of the contract. Director Perry did not sign the contract by the deadline after the City Council approved the contract. City Manager Gorman stated that this whole process has gone on way too long.

Director Perry stated that throughout process she has been communicating with a DDA lawyer and the Department of Labor. She was told that she didn't have to go from salary to hourly in order to fulfill the law. She further stated that she has been advocating for herself to keep the flexible salary schedule status as it allows her to do her job; she wanted to continue to do her job with the freedom she has had.

Director Perry stated that she was very involved with writing the contract. The days following City Council's approval of the contract were Election Day and review day by the National Main Street organization and were filled with a lot of distraction and stress. Director Perry further stated she did receive an email from City Manager Gorman stating the contract needed to be signed by close of business on Wednesday, November 9, 2016 but she thought it was a casual request. She stated that she went to City Manager Gorman and asked him if it was a legal deadline and he replied the date and time were set in order to expedite the process. She further stated that she told him she still wanted her lawyer to review the contract and would be ready to sign the contract by Thursday morning. Director Perry stated that she did not know there was a hard and fast deadline for the signing of the contract set in the City Council Resolution. Director Perry admitted that she did not read the resolution but no one mentioned the deadline to her either. She stated that she did not realize the contract would be null and void if she did not sign it by 5:00 on Wednesday, November 9, 2016.

Chair Dumas stated that the discussion with the subcommittee was broader than missing the contract deadline.

Mayor Barnes stated that the issues he has go back earlier to his request regarding the processing of payments. He stated that his request was that if volunteers were going to purchase items, specifically at Tom's Food Center, then to have them fill out a purchase order. He stated that Director Perry's response was that there was no way she could have them do that as they would have to carry purchase orders around.

Mayor Barnes stated that the use of a purchase order has been an ongoing issue. The City facilitates what the DDA is doing and is not trying to make everything difficult. The request has only been to use the protocols that are in place in order to have clear accounting practices.

Director Perry stated that everything that is submitted for payment to Finance Officer Kinde needs a purchase order. Director Perry stated that she was asked to always take a purchase order to Tom's Food Center when something is purchased for the DDA. She further stated that she inquired if this could be accomplished in another way, possibly by using a lanyard. She stated that she had no way to put on a purchase order what a volunteer would be purchasing ahead of time, this didn't work well for festival purchases.

Mayor Barnes stated that the contract for entertainment that was playing at an event was another issue as the contract stated the band would be paid \$1,000.00 for their work. He received a phone call and an email after the event stating that the band wanted to be paid an additional \$200.00.

Director Perry stated that this band is typically paid \$1,200 for an event. She had told them that if they could draw the crowd and sell the product that makes the event money then she would pay the additional \$200 out of her pocket. A band member came to the front desk at City Hall and requested the payment of the additional \$200. As City staff did not know what was going on they contacted Mayor Barnes. If someone had come to her she would have explained the issue.

Mayor Barnes stated this is one of his concerns with her job performance. How can a contract be in place and not be followed? He stated that the DDA ended up paying the band the extra \$200.00.

Director Perry stated that the \$200.00 was a tip that the band earned.

Mayor Barnes stated that in terms of the employment contract, the City has been vilified for trying to take authority away from the DDA, which is not the case. This is a situation in which the City has rules which it has to follow in paying individuals. For whatever reason, the situation is that someone is required to track their time in order to be paid and they have said they don't want to do that.

Director Perry stated that she didn't intend to say she wouldn't track her time. She wanted to do her job in the easiest way possible and was advised that tracking her time was not required by law.

Mayor Barnes stated that there has been a lot of back and forth and it has seemed like a lot of irrational push back on the tracking of hours worked. He further stated his opinion that this issue has a lot to do with how Director Perry does her job.

Director Perry stated her feeling was that the contract felt like a demotion and that the recording system put in place didn't work well for how she does her job. She has been trying to clarify the use of comp and personal time and salary vs. hourly.

Mayor Barnes stated that this issue has been ongoing for 6 months and seems like an incredibly long time to go over something that should have been fairly straightforward.

Chair Dumas stated that his concerns are with things that weren't followed through on. He directly asked Director Perry to send the contract draft to the Board members and it wasn't done because she had found something in the law and then had to meet again. He asked for the email address of the board members so he could send the contract and he didn't get them. He stated that after he and Director Perry met and went over the contract they agreed on minor edits. He asked her to make the changes and send the revised contract to him and he didn't get it. He further stated that he has asked her to do things that didn't happen.

Stacy Adams commented that Director Perry needs to be a part of the downtown, she cares about Portland and goes above and beyond for the community. She further stated her feeling that Mayor Barnes is bullying Director Perry. She also stated her feeling that there needs to be more communication and follow through.

Michaela Marks commented that Director Perry believes in Portland and people like her are what keep Portland going. She further thanked Director Perry for coming into her businesses. She stated that the board should give Director Perry a second chance. Ms. Marks also stated that people say that downtown Portland is awful but Director Perry is someone who cares and is worth saving.

Aaron Urie stated that he is a downtown building owner and his wife Wanda is a former business owner. He has seen his wife come home very excited with Director Perry and what she is doing. He commented that Director Perry works harder than any previous DDA Directors. He further commented that he hopes she can learn from this and improve.

David Lange stated that he has had a vision for his building and Director Perry has been working with him to fulfill that vision. Mr. Lange questioned the purchase order policy in place by the City and why auditors haven't written anything up in terms of it not being followed.

Finance Officer Kinde stated that the purchase order policy is an internal control put into place by the City not its auditors.

Chair Dumas asked if there were any other Board Member comments.

There were none.

Chair Dumas asked for a motion.

Mayor Barnes moved to terminate Director Perry's contract based on the performance issues effective immediately.

Antaya seconded the motion.

Member Briggs stated that she would like to discuss the motion. She agreed that things have not been done correctly and agreed that currently there is no contract in place. Member Briggs further stated that there are certain obligations that need to be fulfilled as a contract employee.

Member Briggs proposed a substitute motion to enter into a temporary letter of agreement for a short term agreement with certain specifications that would lay out responsibilities with the understanding that the position would be opened up to an interview process as there is no current contract in place.

Chair Dumas asked what temporary time frame Member Briggs was proposing.

Member Briggs proposed 3 months but stated the timeframe is open to negotiation. This would provide time for adjustment to deal with the issues going on. She further suggested this agreement would be under the supervision of the City Manager in terms of administration.

Member Blastic stated that it is very clear that the DDA Director position needs to be redefined. He further stated that the individuals that put the contract together are very capable and respectable. Director Perry has been a big part of the contract process as well. He stated his disappointment that this issue has come to this. Member Blastic restated his feeling that the DDA Director position should be redefined, especially when considering the recent payoff of City Hall. He also stated that there are protocols in place that need to be followed, everything needs to be tracked. There are going to be bigger dollars under consideration in the future. He further stated that this is nothing against Director Perry as she is very integrated in the community.

Member Briggs asked if Member Blastic was seconding her motion.

Member Blastic asked for clarification of the temporary timeframe proposed. 30 days? 90 days? He stated his feeling that the position needs to be opened up to the Board for full clarity as he was not party to any of the committee meetings regarding the contract.

City Manager Gorman stated that Director Perry is very integrated in the community and has done a great job in that regard. He stated that this is an opportunity to really reevaluate the DDA/Main Street Director position. He further stated that 30 days seems aggressive and that 60 days may be possible.

City Manager Gorman clarified that under the proposed substitute motion Director Perry would remain in her position and could then reapply for the newly defined position.

Member Briggs stated that was correct and that because no contract is in place at this time then there needs to be an open process. She proposed a 90-day timeframe.

Chair Dumas summarized there would be a sunset date of 90 days in the future at which time Director Perry's employment would terminate but the position would be opened up and she could reapply.

Member Blastic concurred.

Chair Dumas further clarified that during this time Director Perry would be under the direct supervision of the City Manager.

Member Blastic concurred.

Director Perry stated that this puts her in a horrible position as she has worked hard. She further stated that with regard to the emails that Chair Dumas referred to, she can produce her responses to them. She suggested that they may have went to his other email address.

Chair Dumas asked if she would accept the proposed arrangement.

Director Perry stated that she does not want the stress of the proposed arrangement and that her husband would rather she not go through that. She stated she would rather leave now. Director Perry further stated she doesn't understand what she has done without being reviewed, written up or tried to work with.

Member Grimminck stated that moving forward the DDA Board needs to take responsibility for their part in this situation. They need to be careful and do performance evaluations in order to communicate with the DDA Director and amongst the Board itself. She further stated that this is coming as a shock to her as well as Director Perry. Member Grimminck stated her feeling that this result seems punitive for her questioning procedures or saying something doesn't work with her job.

Chair Dumas stated that in terms of the substitute motion proposed by Member Briggs, Director Perry has stated she does not want that arrangement.

Chair Dumas clarified the substitute motion was withdrawn.

Member Blastic noted he had to leave the meeting in 3 minutes to attend to business.

Chair Dumas stated the substitute motion has been withdrawn because Director Perry did not want the arrangement.

Chair Dumas called the vote for the motion on the floor to terminate Director Perry's contract based on the performance issues effective immediately.

Mayor Barnes called for a roll call vote.

Finance Officer Kinde called the roll call.

Member Grimminck- Nay

Member Blastic – Yes

Member Briggs – Abstain

Member Urie – Nay

Member Dumas – Yes

Member Antaya – Yes  
Member Clement – Nay  
Member VanSlambrouck – Yes  
Mayor Barnes – Yes  
City Manager Gorman – Yes

Chair Dumas stated that the motion carried by vote of 6 ayes, 3 nays and 1 abstention.

Chair Dumas stated that Mrs. Perry's employment has been terminated effective immediately and asked her to vacate the room.

Chair Dumas noted that Member Tyler had sent an email prior to the meeting stating that he would have been in favor of the substitute motion but would have voted for the termination.

Member Blastic excused himself from the meeting at 4:25 P.M. to attend to business.

Chair Dumas stated that he will get on the job posting and will contact Laura Krizov of the Michigan Main Street Center for her assistance. He further stated that Holidayfest is coming up on Saturday, December 10, 2016 and asked for people to step up and help.

Member Urie stated that without having help from a DDA Director the Promotions and Marketing Committee feels like all it can handle for Holidayfest are the parade, the tree lighting, and the concert.

Chair Dumas asked if anyone was willing to step in as the Interim Director.

There was no response.

Member Clement left the meeting at 4:27 P.M.

Member Urie stated that there may be some activities planned for Holidayfest that will be cancelled but will still need to be paid for as there will not be enough manpower to make them happen.

Member Grimminck asked if there will be an Interim Director.

City Manager Gorman stated that it would be nice to have an Interim Director but not sure who. He further stated that there is a "weirdness" with the City Manager serving in that role. He further stated that City staff will help however it can. He stated that it is difficult to inform people that the City is only here to facilitate the DDA. He added that as an employer this is the worst thing to be a part of; everyone on the Board is an adult and has their own opinions. City Manager Gorman stated that by statute, Chair Dumas is in a position to have to make tough decisions; whoever the director is.

Chair Dumas suggested that the Board provide names that might be interested in the DDA/Main Street Director position at the next meeting. He stated that he will also be asking for Board members that might be interested in serving on an interview committee.

Member Briggs suggested that before that is done the position should be clarified and then the position that is desired can be posted for.

Chair Dumas stated that he will work with Laura Krizov of the Michigan Main Street Center.

City Manager Gorman stated that he will research how other communities handle the DDA Director position. He also stated that the DDA Board needs to determine what they want to achieve. He clarified that the City has no agenda on what projects the DDA takes on. He only wants the DDA Board to remain transparent and open. City Manager Gorman further stated that many people do not understand the inter-working of the law and the City's requirements and duties.

Member Urie stated her feeling that City Manager Gorman sounded very condescending. She further stated her feeling that City Manager Gorman may want to think about how he phrases things.

City Manager Gorman apologized as he didn't intend to come across that way.

Member VanSlambrouck suggested that this is a time for the DDA Board to address what its goals are and what it wants to accomplish. She suggested that discussions regarding those issues should be held at a different meeting.

Chair Dumas summarized that he would take care of the job postings and will make sure the meeting agenda's get sent out. He asked City Manager Gorman to find out what other DDA's doing.

City Manager Gorman asked Member Briggs if she'd be willing to serve as Interim Director.

Member Briggs said she would think about it.

Member Urie stated the DDA Board needs to take responsibility for this situation; if Board members are not going to step up then they need to step down. She further stated there needs to be more communication, and evaluations of the Director need to be done.

There was continued discussion.

Member Briggs agreed that members should step up so that Chair Dumas does not have to do everything.

Chair Dumas stated that throughout this process he has commented that he didn't retire as Superintendent with the authority of supervising 250 employees to end up on a volunteer board supervising another person as a volunteer. He said that this has been a difficult process. He

further stated that it has been exacerbated by Mrs. Perry and her insistence that she not be supervised by the City Manager. Chair Dumas stated that in his discussions with Laura Krizov of the Michigan Main Street Center that in most DDA's, the DDA Director is supervised by the City Manager.

Member Briggs agreed in terms of administrative accountability and stated that a paid employee shouldn't be supervised by a volunteer.

City Manager Gorman stated that in the annual review meetings on November 9, 2016 with the Michigan Main Street Center and National Main Street organization they talked about a "Refresh"; or reboot. He further stated that this is a time to evaluate the Main Street program in Portland and to make clear expectations of the DDA Director position.

Chair Dumas stated that with the help of the Michigan Main Street Center his first priority is to get a generic job posting out and the second priority will be to define the position and where the DDA wants to go from here.

Member Urie asked when the DDA Board would like to have someone hired.

Chair Dumas stated that it would be nice to have someone on board in a month but it will likely be two months.

Member Urie commented that it would be great to have someone in place by the end of January in time for the "refresh".

There was discussion.

Mrs. Perry came back into the meeting and presented one of the emails that Chair Dumas had referred to earlier in the meeting.

Chair Dumas stated that the email she had was in response to the second email he sent because she hadn't responded to the first.

Kathy Ness asked why the DDA doesn't have a performance evaluation in place or a probationary reprimand if there is a specific problem.

Chair Dumas stated that an evaluation process was in place for the previous DDA/Main Street Director and the DDA Board was planning to do one for Mrs. Perry once her employment contract was in place.

Mayor Barnes stated there has been a long dialogue between Mrs. Perry and Chair Dumas that followed previous communication precedent and practice.

Motion by Antaya, supported by VanSlambrouck, to adjourn the meeting at 4:43 P.M.  
All in favor. Adopted

Respectfully submitted,

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Kory Blastic, Secretary