

Board of Directors Regular Meeting Minutes

August 19, 2024, 3 p.m. | Community Planning & Economic Development, 245 N Rose Street

PRESENT: Mayor David Anderson, Curt Aardema, Kwame Gyimah, Stephanie Hinman, Susan Lindemann, Jessica Thompson, Matt Hollander, Jeff Breneman

ABSENT: Clarence Lloyd

STAFF: Erin Hahn, Meghan Behymer, Paul Thuringer, Steve Vicenzi, Jeff Chamberlain

OTHER: Aaron Stevens, Auditor (Maner Costerisan); Steve Glista, DEGA legal counsel

A. CALL TO ORDER

DIRECTOR LINDEMANN CALLED THE MEETING TO ORDER AT 3:01 P.M.

PRESENT: Mayor David Anderson
Curt Aardema
Jeff Breneman
Kwame Gyimah *
Stephanie Hinman *
Susan Lindemann
Jessica Thompson
Jeff Breneman *
Matt Hollander

ABSENT:

EXCUSED: Clarence Lloyd

Director Breneman arrived at 3:02 p.m. *
Director Hinman arrived at 3:06 p.m. *
DCM Chamberlain arrived at 3:08 p.m. *
Director Gyimah arrived at 3:09 p.m. *

THE AUGUST 19, 2024, ATTENDANCE INCLUDING EXCUSED AND UNEXCUSED ABSENCES ARE RECORDED.

B. ADOPTION OF FORMAL AGENDA

**DIRECTOR HOLLANDER MOVED TO ADOPT THE AUGUST 19, 2024 AGENDA AS PRESENTED.
DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.**

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C. APPROVAL OF MINUTES

MAYOR ANDERSON MOVED TO APPROVE THE JUNE 17, 2024 MINUTES. DIRECTOR AARDEMA SECONDED. NO OBJECTIONS. MOTION CARRIED.

D. REPORTS AND PRESENTATIONS

1. Presentation of the Annual Audit – Aaron Stevens

Maner Costerisan auditor Aaron Stevens presented the 2023 Downtown Development Authority and Downtown Economic Growth Authority's annual audits. Mr. Stevens stated that he has performed the audit for the last two years for both the DDA and DEGA, and that the purpose of the audit is to express opinions on financial statements.

Mr. Stevens stated that as of December 31, 2023, the DDA's general fund is in a deficit of \$952,695.

Mayor Anderson stated that the standard recommendation would be to have two months of expenses in the fund balance, and asked where the explanation of the deficit appears in the audit.

Mr. Stevens answered that the opinion on the financial statements is that they are fairly presented, and there is no further comment because the assumption is that the DDA will dig themselves out of the debt.

Mr. Stevens stated that the parking system fund was reported as governmental activity until the beginning of 2022, at which point the fund balance went negative. Mr. Stevens stated that the fund balance also is shown as negative because of the recognition of the current liabilities.

Mr. Stevens stated that 82.09% of the DDA's revenue came from property taxes, 17.82% from intergovernmental sources, and 0.09% from other sources.

Mr. Stevens stated that as of December 31, 2023, the DEGA's general fund balance was in a deficit of \$100,728.

Mr. Stevens stated that 57.08% of the DEGA's revenue came from property taxes, 42.07% from intergovernmental sources, 1.76% from charges for services, and 0.09% from other sources.

DIRECTOR BRENNEMAN MOTIONED TO ACCEPT THE DOWNTOWN ECONOMIC GROWTH AUTHORITY AUDIT AS PRESENTED. DIRECTOR HINMAN SECONDED. NO OBJECTIONS. MOTION CARRIED.

2. Presentation of the Financial Report – Steve Vicenzi

Steve Vicenzi presented the Financial Report for May 2024 and June 2024.

Director Aardema asked about the \$38,500 Beats on Bates payment in May. It was determined that the contract was paid for the entire year up front at that time.

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Director Aardema asked what the \$2,500 Southwest Michigan First/Chamber sponsorship was for in June. It was determined that the sponsorship was for Restaurant Week.

Director Aardema asked if the Big Belly expenses included both trash and recycling. It was determined that they did include both services, and it was recommended that this be clarified in future financial reports.

DIRECTOR AARDEMA MOTIONED TO ACCEPT THE FINANCIAL REPORT AS PRESENTED. DIRECTOR THOMPSON SECONDED. NO OBJECTIONS. MOTION CARRIED.

3. 2025 Financial Presentation

Meghan Behymer reported that the draft budget reflects an estimated cost of the Ambassador Program, as the current contract will end in April 2025. Further discussion on the program's scope of services and covered area will take place with the new Ambassador Program committee.

Mr. Vicenzi stated that the budget assumes a 3% increase to all maintenance expenditures, in 2025, and that an increase in revenue is expected as well.

Ms. Behymer noted that the Marketing and Events Committee budget increased due to the inclusion of \$50,000 for the marketing RFP and additional funding of \$24,000 to support potential additional event sponsorship opportunities.

Ms. Behymer noted that the Business Recruitment and Retention Committee budget was established at \$10,000.

Ms. Behymer noted that the Professional Development budget was set for \$16,000, for staff and board members to attend conferences and have memberships that may be relevant to the Board's work.

Mr. Vicenzi stated that the local tax capture shows strong growth in 2025 due in part to the event center, but that the projections are conservative considering that there is a possibility the event center land could be donated to a university, thus becoming tax exempt.

Mr. Vicenzi noted that the last year of the 15-year state education tax capture is 2033, after which there will be a decrease in revenue to the DEGA. Director Lindemann urged the board to be aggressive in paying off their debts to not pass the debt along to future boards, especially with the drop-off of income in 2034.

4. Ambassador Report

Ms. Behymer presented the Block-by-Block statistics from the month of June and July, noting that graffiti removal ebbs and flows from month to month, and that there was a reduction in trash in July, which is consistent with trends from year to year.

Director Aardema asked if the Ambassadors take care of Bronson Park. It was determined that the Parks and Recreation department is responsible for the park, but that the Ambassadors take care of the surrounding sidewalks and streets. Director Aardema stated

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that it seems as though several areas, including the corner facing the library, seem to be forgotten. Ms. Behymer noted that these areas can be explored as part of the to-be-created Ambassador Program committee's work.

5. Committee Reports

Events and Marketing Committee

Director Thompson spoke on behalf of the Events and Marketing Committee, stating that the marketing RFP is almost ready to go out, the SkeleTour Spooktackular was approved for a \$5,000 sponsorship, and that the committee is recommending that the Board approve the Beats on Bates extension through September for \$6,000.

Director Thompson also stated that there was discussion about collaborating with the Business Recruitment and Retention Committee to coordinate pop-ups in vacant spaces downtown.

Ms. Behymer noted that the marketing RFP is ready to go out, but is waiting on approval of the 2025 budget before sending.

Business Recruitment and Retention Committee

Director Aardema spoke on behalf of the Business Recruitment and Retention Committee, stating that there was some general discussion about pop-ups and that the committee would like to collaborate with the Events and Marketing Committee to move this idea forward, focusing on pop-up restaurants.

Director Aardema also stated that the committee has created a marketing information sheet that lists the positive statistics of downtown, including the number of residents, visitors, events, and dollars invested into projects. The committee would like to do targeted print mailings with this information.

Director Aardema also stated that the committee is interested in forming a welcoming committee for businesses looking to move to Kalamazoo, to give a showcase tour of downtown.

Finance and Executive Committees

Director Lindemann spoke on behalf of the Finance and Executive Committees, stating that they focused their meetings on discussing the 2025 budget, and did not have any updates to share.

E. DISCUSSION/ACTION ITEMS

1. Resolution to Authorize a Grant to the City of Kalamazoo for Holiday Lighting

The resolution states that the City is requesting that the DEGA support the City's downtown holiday lighting and décor for the 2024 season by granting \$20,000 in funding.

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DIRECTOR BRENEMAN MOTIONED TO PASS THE RESOLUTION TO AUTHORIZE A GRANT TO THE CITY OF KALAMAZOO FOR HOLIDAY LIGHTING. DIRECTOR HINMAN SECONDED THE MOTION. A ROLL CALL VOTE WAS TAKEN AND THERE WERE NO OBJECTIONS. THE MOTION CARRIED.

2. Resolution to Establish Ambassador Program Committee

The resolution states that the DEGA desires to establish an Ambassador Program Committee for the purpose of reviewing matters related to the Ambassador Program and developing and distributing a request for proposals in advance of the expiration of the Block by Block agreement in April 2025.

There was discussion on if the committee meeting should be a public meeting. Steve Glista stated that the committee meetings would only have to be public if they were going to vote. Director Breneman stated that the committee would not have to vote but could bring recommendations forth to the Board for voting.

It was determined that the Business Recruitment and Retention Committee formation should be formalized at the October Board meeting.

DIRECTOR HOLLANDER MOTIONED TO PASS THE RESOLUTION TO ESTABLISH AMBASSADOR PROGRAM COMMITTEE. DIRECTOR BRENEMAN SECONDED THE MOTION. A ROLL CALL VOTE WAS TAKEN AND THERE WERE NO OBJECTIONS. THE MOTION CARRIED.

3. Resolution to Approve Extension to Beats on Bates Events and Additional Funding

The resolution states that on August 8, 2024, Kim Guess requested an extension of the Beats on Bates events into the month of September, along with additional funding of \$6,000, which would further solidify the economic gains of the events and provide continued support to downtown businesses.

Director Thompson stated that the events and marketing committee would give an impact report of all sponsorships at the October board meeting, and that the committee would be asking sponsored event organizers to provide metrics to the committee after the completion of events.

DIRECTOR AARDEMA MOTIONED TO PASS THE RESOLUTION TO APPROVE THE EXTENSION TO BEATS ON BATES EVENTS AND ADDITIONAL FUNDING. DIRECTOR HINMAN SECONDED THE MOTION. A ROLL CALL VOTE WAS TAKEN AND THERE WERE NO OBJECTIONS. THE MOTION CARRIED.

F. PUBLIC COMMENTS

1. There were no members of the public present.

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G. DIRECTOR COMMENTS

1. Director Aardema stated that he was pleased to see the number of City staff present at the meeting to engage and answer questions.
2. Director Gyimah stated that his second son was born two weeks ago, and they now officially have a “Kalamazoo baby.”

H. STAFF COMMENTS

1. Downtown Report – Meghan Behymer

Ms. Behymer worked with Assistant City Manager Rebekah Kik to put together a downtown report, containing updates on ongoing projects, with information of who leads the projects. Ms. Behymer stated that the report is intended to be a monthly report and will evolve based on information from the City of Kalamazoo on downtown events and recommendations from the Board.

Mayor Anderson stated that he would like to see an update of what the Southwest Michigan First Chamber has going on in the report. He also stated that there have been a number of one-off meetings that he gets invited to in order to discuss various downtown issues. It was determined that if Board members should come across opportunities such as these or comments from citizens, they can pass along the information to Ms. Behymer for consideration.

I. ADJOURNMENT

1. **DIRECTOR LINDEMANN ADJOURNED THE MEETING AT 4:38 P.M.**