

MINUTES (DRAFT)
KOCHVILLE TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
AUGUST 12, 2011 – 8:30 AM (Township Board Room)

Board Members Present: Vern Weber (Vice-Chairman), Dave Abbs (Treasurer), Scott LaDouce (Secretary), Jim Loiacano (Township Supervisor), Tom Basil, Jr., Jon Howell, Dave Maine

Board Members Absent: Lyle Davis, Jr. (Chairman), Don Jackson

Others Present: Steve King (Director), Kevin Kilby, Rob Eggers, Kevin Stevens, Steve Fausnaugh, Steve Yanca

Proceedings

I. Opening of Meeting

Vern Weber opened the meeting with the pledge of allegiance at 8:30 a.m.

II. Approval of Agenda

- Moved by Basil, second by Maine, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

III. Public Comment

Steve Yanca thanked the Saginaw County Sheriff's Department for "keeping the bad guys off the road." He also thanked the DDA for its partnership with the Township.

IV. Communications / Information

- a. Email from R. Savage

Mr. King said he will distribute copies of the draft meeting minutes from the Kochville Township Board and the Planning Commission when he receives them. He noted an email correspondence from Rick Savage in the board's packets indicating his willingness and desire to serve on the DDA Board.

V. Reports

- a. Financials

Mr. Abbs briefly reviewed the board's financial statements, noting there was nothing unusual in the reports.

Mr. King reviewed a "very rough" budget projection through 2021. There is a great deal of uncertainty as to what the DDA's revenues will be going forward, particularly over the next few years, largely due to pending tax tribunal cases. The DDA's ability to implement future projects will hinge largely on its revenues in the future.

- b. Police Protection

Sergeant Stevens said that Jeff Kreska would serve as the DDA's interim deputy while the permanent position is being filled. Deputy Fausnaugh will continue as a DDA deputy as well.

Mr. Weber said that he and Sheriff Federspiel had discussed the permanent replacement but this will be determined. He commented that projected over the first 12 months of the DDA's contract with the Sheriff's Department, total expenses should come in under the budgeted salaries/benefits figure. Through the first ten months of the contract, including equipment and maintenance, total costs have been \$183,676.62.

Sergeant Stevens noted that the DDA's police car now has only 15,000 miles on it.

VI. Consent Agenda

- a. Meeting Minutes of July 15, 2011
- b. Treasury Report / Payment of the Regular Bills
- c. DDA Strategic Planning Workshop: Wed., Sept. 7, 2011 @ Standard Electric (8:30am)
- d. Next DDA Meeting: Friday, September 16, 2011
- e. DDA Open House Reception: Thursday, October 6 (Location TBD)

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f. Board Member Absences (Excusal)

- Moved by Maine, second by Loiacano, to approve the Consent Agenda as presented. MOTION CARRIED UNANIMOUSLY.

VII. Projects and Updates

a. Bay Road (M-84) / Pierce Road Sewer Extension Update

Mr. Eggers said there was not much new since the last month to note. The project is essentially completed other than landscaping restoration. A backup generator is still being negotiated for with the County's 911 Authority. This used generator would replace the initially-budgeted new backup generator that was removed from the project.

b. Pierce Road

Mr. King recalled that the DDA had approved up to \$400,000 toward Pierce Road improvements at its prior meeting, conditioned on participation by both Kochville Township and Saginaw Valley State University. If the SVSU Board of Control approves funding toward the project, it will likely move forward. A key decision for the DDA to determine at that point will be how to structure its payment of project expenses.

Mr. Loiacano noted that the Township will be replacing the water line on Pierce Road either before or during the road project, should it move ahead next year.

Mr. King said the DDA will need to determine within the next few months how it intends to spread the cost for this project, whether to pay cash in one year, or even bond the project. He said the DDA will need to retain a healthy fund balance reserve to account for future projects and unexpected expenses that may arise.

c. Tittabawassee Road Streetlight Project

Mr. Eggers discussed the bid results from the Tittabawassee streetscape project, for which the DDA received five responses adhering to the bid parameters, and one bid that did not include a bid bond that had proposed changing the fixtures to solar-based. The DDA's initial cost estimate for the project was \$225,000 for construction. The low bid came in at \$174,276 from Helm Electric. Helm Electric installed the street lights on Davis Road for the DDA.

Mr. Kilby noted that per the DDA's purchasing policy, Mr. King has the authority to implement minor changes to the project as necessary in the field as long as the total project cost adheres to the approved budget.

Mr. Weber suggested that in the future, the DDA may want to bid the fixtures separately from the contractor installation work.

Mr. Maine asked about the setback position of the street lights. Mr. Eggers said that the setback would not be a perfect "line" across Tittabawassee Road; however, it will look consistent and very nice. The Road Commission was also consulted about the lights, and they agree with the expected placement. A future sidewalk alignment is also reflected in the plans.

- Moved by Basil, second by Howell, to approve the low bid by Helm Electric for \$174,276 for the installation of decorative street lights on Tittabawassee Road between Bay Road and Davis Road. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.

Yeas: Howell, LaDouce, Abbs, Maine, Basil, Loiacano, Weber

Nays: None

Absent: Davis, Jackson

d. DDA Streetlight (Induction Lighting) Retrofit – Update

Mr. King said the DDA street light retrofit project was also advertised for bids in The Saginaw News, with only one response having been received, from Standard Electric Co. for \$27,795.50. The installation work will be performed by the DDA's current street light contractor, Roenicke Electric.

Mr. Weber noted that this bid amount does not include the approved Consumers Energy rebate for up to \$11,250 for the project.

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- Moved by Abbs, second by Loiacano, to approve the low bid by Standard Electric Company for \$27,795.50 to supply 230 80-watt induction lamps and ballasts for the DDA's street light retrofit project. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.

Yeas: Howell, LaDouce, Abbs, Maine, Basil, Loiacano

Nays: None

Abstention: Weber

Absent: Davis, Jackson

e. Gateway Sign(s) Solar Lighting Proposal - Introduction

Mr. King passed out a quote obtained from The Green Panel for installing a solar-based lighting system on the DDA's first two gateway signs. He said he would elaborate more on the basic idea at the strategic planning workshop on September 7.

VIII. Business

a. Landscaping Maintenance RFP

Mr. King recalled that the DDA board has been clear about its intentions to bid out a new landscape maintenance contract to take effect in 2012, replacing the expiring contract. He distributed a draft contract to bid out as part of the board's packet.

Mr. Weber asked when the contract would be bid out. Mr. King replied that this is up to the board, but the contract could be advertised immediately after the board approves the terms to bid. The existing contract runs through October 31, 2011.

Mr. Maine asked how big this contract is for the DDA. Mr. King replied that the DDA has \$18,000 budgeted for the current fiscal year for landscape maintenance. The per-cut price for grass mowing in the DDA is \$712 per the existing contract. The new specs suggested would increase the number of annual cuts to 20 from the current 15.

Mr. Howell recalled that the DDA has discussed snow removal along the walking path on Bay Road in the past, and suggested that perhaps the DDA could include this duty as part of the landscape maintenance contract.

Mr. Loiacano discussed recent conversations with MDOT regarding the path. It appears that the maintenance of the path may not be identified as part of any existing contract.

Mr. King said there are several types of sidewalks within the Township, most of which are located in the DDA district, including private sidewalks, the Kochville walking path, and the Bay Road walking path, which was constructed by MDOT as part of the Bay Road widening project. The basic consensus the DDA had come to recently is that if anything, the Bay Road walking path is a Township asset that should be maintained by the Township, not the DDA. The Township could address the maintenance – including plowing – of this path through the revenue sharing agreement with the DDA.

Mr. Weber suggested that if the DDA were to want to inquire as to the cost of plowing the path, it should be done separately from the landscape maintenance contract.

Mr. Loiacano noted that the Township does not currently have a sidewalk maintenance ordinance at this time.

b. Property Improvement Grant – Introduction

Mr. King said that many DDAs offer various types of improvement incentives to their stakeholders, such as façade improvement grants or loans, sidewalk improvement incentives, and others. He feels that the DDA could offer a matching improvement grant to assist existing and future stakeholders of the district with improving their properties. He distributed a proposed structure for a DDA improvement grant for the board to review and comment on by its next meeting. The grant would call for up to 50-percent matching contributions to various physical property improvements, subject to funding commitments to be made every year.

Mr. Weber expressed concern with some communities' incentive programs that seem to favor new and potentially incoming businesses over existing community businesses. He feels that the DDA needs to take care of its existing businesses first.

Mr. King said that the grant could be applied for by anyone wanting to make a physical improvement in the DDA, which in some ways may benefit existing businesses far more than prospective ones.

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Mr. Weber said he would be concerned if the DDA would need to maintain any grant-funded improvements. Mr. Kilby outlined the proposed terms in the document, highlighting that since these would be private projects, they would be the responsibility of the private property owner to maintain.

c. Website Proposal – Introduction

Mr. King commented that the DDA’s current website performs all the basic functions that it needs to provide and doesn’t cost much money; however, the DDA needs a much improved site. A majority of out-of-town prospective businesses are likely looking at the Township and DDA websites before inquiring further on the community. The Township also needs a new website that functions better. He said the DDA should plan to spend a few thousand dollars on to create a better presence for current and future DDA businesses to utilize.

Mr. Abbs asked for approximate maintenance costs on such a site. Mr. King said these would probably run around \$1,000 annually.

Mr. Maine asked if a new Township website should be part of the same proposal as the DDA’s website. Mr. Loiacano said the Township has recently looked into some new website options.

Mr. King said he will obtain several proposals to provide a more specific idea to the DDA as to what costs to expect for an improved website. There are two basic models for the DDA’s site: to make it part of the Township website; or to make it separate from the Township’s site, but clearly linked to the Township’s site.

Mr. Weber suggested that Mr. King look at the new Thomas Township website.

d. Asset Capitalization Policy - Introduction

Mr. King said the DDA’s accountant has recommended adopting an Asset Capitalization Policy to direct what capital assets are depreciated on its books. He recommended the following such policy: “The Kochville Township Downtown Development Authority elects the prospective method of asset acquisition for those fixed assets with a cost of \$5,000 or greater. These assets will be depreciated utilizing the straight line method and based on their expected useful life. Contributed capital assets should be recorded at the fair market value at the date of receipt.”

- Moved by Basil, second by Abbs, to approve the recommended Asset Capitalization Policy. MOTION CARRIED UNANIMOUSLY.

IX. Board Member Comments

Mr. Abbs asked for the status of the Bay / Tittabawassee traffic light mast arms. Mr. Eggers replied that MDOT has struggled to obtain easements for that Bay Road project, and it is now a spring of 2012 scheduled improvement. Mr. Abbs also asked for the dead tree on a traffic island on Davis Road to be removed.

Mr. Weber invited board members to attend the Standard Electric open house event on August 25.

X. Adjournment

The meeting adjourned at 9:32 am.

Minutes written by Steve King

Vern Weber, Vice-Chairman _____
Date

Steve King, Director _____
Date