

**MINUTES**  
**Downtown Development Authority**  
**Regular Meeting of Board of Directors**  
**November 6, 1998**  
**233 S. 5<sup>th</sup> Street, C.D. Smith Building**

**Present: Becky Brehmer, Chris Launer, Mark Hermundstad, Teresa Kareus, Kathleen Killian, Mary Crumbaker, Gene Kinsey and Rich Helm – Ex-officio, Guest Ron Lappi, Barbara Creasman and Lori Hogan**

**Absent: Bill Petty, Bruce Hill, Bruce Bengé and Pat Gormley – Ex-officio**

**CALL TO ORDER**

The meeting was called to order by Mark Hermundstad at 7:30 a.m.

**APPROVAL OF MINUTES**

The minutes for October 16, 1998 were approved as submitted.

**TIF BOND UPDATE**

Ron Lappi discussed the 1996 bond issue. Ron went over a spreadsheet explaining the debt service from 1998 to 2006 for TIF. He also explained the property tax collection projections and projected sales tax revenues and how the last 5 to 6 years of TIF have the greatest revenue. TIF cannot be used directly for capital improvements but can be used to payback a debt – debt issuance is approved by City Council. The DDA & the City will have to work closely together in the next few years.

Sales Tax is growing and a portion of the City's sales tax goes into TIF through 2006 when the TIF authorization runs out. The Sales Tax projections are based on 5 areas and there is a different base for each district. There is a good revenue stream and we need to issue a debt to access these funds. Mark Achen has recommended that the DDA put together a projection for capital spending. We need to be creative on how we spend the money, borrow in 1999 and payoff in 2006. Ron Lappi has talked to several financial institutions regarding selling the bonds at a good interest rate. Ron feels current revenues will support a \$1.5 million bond. Copies of his revenue projections were distributed.

Barbara distributed a draft memo to City Council recommending an additional tax increment bond to fund public projects within the TIF district. The memo needs to be approved and sent to City Council to get on their workshop agenda. The Board will discuss the memo and budget further at the November 18<sup>th</sup> workshop.

**FINANCIAL REPORT**

Reviewed the financial report and everything looks fine. It was noted that the TIF reimbursement for the first 6 months of 1998 staff hours worked well.

### **APPROVAL OF 1999 REVISED BUDGET**

The City has a 2-year budget, 1998 & 1999 has been approved and at each year-end it can be revised as needed. Chris Launer, Becky Brehmer and Barbara met to discuss the current and revised budget. 1998 is on target. Barbara discussed the Budget Narrative for 1998 and 1999 in detail. Also attached to the narrative is a scenario of the DDA employee pay increases for 1999. The executive committee met earlier and reviewed the City salary scale. After the City has employed an employee for a year they are usually moved from an entry to proficient level which is about a 15% increase. This will increase the salary budget by \$47,000. Barbara handed out spreadsheets showing how many DDA employee hours are charged to the DTA and the Avalon Theatre. The Executive Committee will meet with the DTA & Avalon Boards and discuss appropriate reimbursement for 1999, which will offset most of this increase. Chris Launer made a motion to approve the budget. Becky seconded it and all approved. Mark noted that this was a lot of information and the Board agreed to discuss again at the next meeting.

The replacement of Michell Moomey was discussed. There is a need to hire a full-time person with all of the weekend and after hour's work being generated from DTA events and also Avalon events. Chris recommended Michell's position be replaced with a full-time person and for Barbara to bring in temps as needed. A decision on approval of a new position was deferred until the workshop.

### **TWO RIVERS – CSL STUDY**

At the last Board meeting the Board approved to support the Parks Board recommendations and to meet with them to develop a joint recommendation to City Council. Mark Hermundstad met with Lena Elliot and reviewed the memo to City Council and they decided to re-draft the memo being more direct and very clear, a copy was distributed for board review and discussion. Mary Crumbaker made a motion to approve the memo and that if needed the Executive Committee make changes. Chris Launer seconded it and all approved. The Board will all get a copy once the memo is finalized. It was also suggested that the consultant do a presentation to City Council but this is not possible before budget discussions due to the City budget process at the end of the year. The recommendations will be presented to City Council at their mini-workshop on November 18<sup>th</sup> at 5:30 p.m. A reminder will be sent out to all board members.

### **HISTORIC PRESERVATION BOARD APPOINTMENT**

Barbara has served on this board for the past few years. Her term has expired and the Board was asked if anyone would like to take her place. Chris Launer made a motion to have Barbara continue to represent the DDA on the Historic Preservation Board. Teresa Kareus seconded it, all approved.

### **DIRECTOR'S REPORT**

Will discuss further at the November 20<sup>th</sup> workshop, ran out of time.

### **ADJOURN**

The meeting was adjourned at 9:00 a.m.