

BOARD OF MAYOR
AND COMMISSIONERS

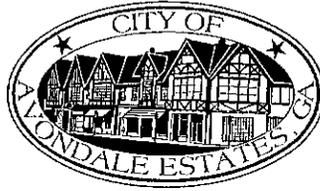
JONATHAN ELMORE
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TERRY GIAGER
MAYOR PRO TEM

RANDY BEEBE
COMMISSIONER

BRIAN FISHER
COMMISSIONER

ADELA YELTON
COMMISSIONER



R. CLAI BROWN
CITY MANAGER

GINA HILL
CITY CLERK

ROBERT E. WILSON
CITY ATTORNEY

STEPHEN W. NICHOLAS
CITY JUDGE

BOARD OF MAYOR AND COMMISSIONERS
SPECIAL CALLED WORK SESSION

September 29, 2016

5:30 p.m.

MINUTES

Members Present: Jonathan Elmore, Mayor
Terry Giager, Mayor Pro Tem
Randy Beebe, Commissioner
Adela Yelton, Commissioner
Brian Fisher, Commissioner

Staff Present: Clai Brown, City Manager
Gina Hill, City Clerk
Stephen Quinn, City Attorney

Item No. 1 Meeting Called to Order

Item No. 2 Adoption of Agenda
Mayor Elmore moves to adopt agenda. Commissioner Yelton seconds. All ayes.

Item No. 3 Board of Mayor and Commissioners/Downtown Development Authority (DDA)
Intergovernmental Agreement (IGA)

Mayor Elmore: I campaigned about responsible growth and I quickly realized that the best way to do that was with an effective DDA. We've been talking about this IGA for some time and we've put a deadline on ourselves. First, can we all agree to get this done tonight? I'd like to move through the draft agreement. I think we have seven very good DDA members and we're lucky to have them. They've been very patient waiting for this IGA. They need funds to get going. I want us all to be committed to getting there. This IGA is roughly based on the one we got from Sugar Hill. The city attorney went through and cleaned it up for our purposes. I think the crux of it is the services we're seeking from the DDA. In no particular order, one of the big ones is events. Some events we're asking them to take over are ones we've been doing through the Community Promotion Program (CPP). Are we going to turn that over to the DDA?

Commissioner Fisher: Is there a limit on how much money you can give to an event through the CPP?

City Manager Brown: No, you can give the entire fifteen thousand (\$15,000) to one event. That amount is just what's in the budget. Or you could give fifteen events one thousand dollars (\$1,000) each.

Commissioner Fisher: My original thought would be yes, they would take that over. We have to give them the resources to do all these things.

Mayor Elmore: It's giving them the resources effectively through the IGA but also taking it off of our books. It's going to be more than fifteen thousand (\$15,000) or it needs to be.

Commissioner Yelton: I agree. I would just add the language to keep the CPP intact but the DDA can add to it. The CPP already has its own stated purpose and measurements, limitations and process. If they want to enhance that process, that's fine, but at least keep a minimum of what's happening today.

Commissioner Beebe: We're talking about them taking all the events in the central business district (CBD)? Anything else would remain as our domain?

Mayor Elmore: Yes. The Rail Arts District Studio Cruise (RAD) kind of goes outside of Avondale but it starts in the CBD.

Commissioner Beebe: I'm wondering if we should give a budget for events or give them a bulk amount and let them budget for it. That way they can do as they see fit.

Mayor Elmore: I thought we could just come up with some numbers like Autumnfest a two day event for eight thousand dollars (\$8,000). RAD cruise five thousand (\$5,000), Mayham seven thousand dollar (\$7,000) two day event. And then eighteen thousand (\$18,000) for nine other monthly events.

Commissioner Beebe: If the question on the table is do I support them doing this then yes, I do.

Mayor Pro Tem Giager: In your suggestions, we have twenty-six thousand five hundred dollars (\$26,500) and we've always budgeted for fifteen thousand (\$15,000). AutumnFest was given to the DDA because the Avondale Arts Alliance stopped doing that. Others may not want to relinquish control over those events.

Mayor Elmore: What do you mean control?

Mayor Pro Tem Giager: Well, RAD runs itself.

Mayor Elmore: But they're still asking for money to help them.

Mayor Pro Tem Giager: But they're not asking for someone to tell them how to run it. So we would basically pass on our money to them so they could hand it out.

Mayor Elmore: Right.

Mayor Pro Tem Giager: But it's a lot more than what we had.

Mayor Elmore: Well, RAD got kind of shifted to next year. If RAD was in this year's budget it would be twenty thousand (\$20,000) but we shifted it to next year to avoid that. And as far as I can tell, to put on a two day AutumnFest, five thousand (\$5,000) is a good start but it looks like eight thousand (\$8,000) is what it takes to really get it started.

Mayor Pro Tem Giager: Decatur throws one day festivals and events. I can tell you every business in this town suffers when there's an event. They have zero business.

Mayor Elmore: Who said that?

Mayor Pro Tem Giager: Icing said it. Mama Bath and Body said it. There's no foot traffic. Everyone is at the festival. The same thing happens in Decatur. I'm just saying that because you have two day events on here. The DDA may want to look at one day events.

Mayor Elmore: The main thing is that we've asked them to do events and we've been subsidizing events for fifteen thousand dollars (\$15,000) so we're just shifting the money to them. I wrote all this down just to think things out and come up with a reasonable number. The next step is it's their choice. They're the ones putting on the events. If there's a process for awarding funding for events, that would be great. But I'm just trying to come up with a number.

Mayor Pro Tem Giager: That's one reason I brought that up. Is twenty-six thousand five hundred dollars a decent number or not?

Commissioner Yelton: We're also looking at the performance side. What does success look like for an event? I agree on putting some performance metrics in there. I think the DDA is capable of coming up with those metrics if it means foot traffic or some post event follow-up. But they're smart enough to come up with those on their own.

Mayor Pro Tem Giager: That would be difficult to do. I'm looking at money. We're trying to raise the budget now.

Mayor Elmore: Because we want more events.

Mayor Pro Tem Giager: I think we can do that in a different way.

Mayor Elmore: I'm just trying to come up with a rational number. The numbers are arbitrary.

Mayor Pro Tem Giager: That's what is approved for the City's budget. It's based on applications people put in for funding. We can change that but we've already voted on that amount for this year.

Mayor Elmore: We're talking about next year. I have a hard time believing they can do all those events for fifteen thousand dollars (\$15,000).

Mayor Pro Tem Giager: The events have been going on fifteen thousand (\$15,000) for years. Why are we wanting to add eleven thousand five hundred to it (\$11,500)? We've turned down a lot of applicants because we only had fifteen thousand (\$15,000) to spend. I'm not against giving them twenty-six thousand dollars. I'm against doing it in this format.

Mayor Elmore: Again, this is just a way to come up with a rational number. I don't think AutumnFest had enough money to begin with.

Rachel Herzog, DDA: It does take more than five thousand dollars (\$5,000) which is what has been received in the past. I think it was about a twenty thousand dollar (\$20,000) event when it was two days. We want to have events that aren't festivals that will bring foot traffic in, such as art walks.

Commissioner Fisher: I do want the DDA to handle events. I hesitate to put a budget amount on it at this point because I don't know what it should be. I feel like they should come to us with events they should sponsor and what the cost would be. They could come to us with one big budget every year. We approve it just like we do our own budget. Once it's their money, they can run with it. I would rather they decide how much festivals should cost and how long they should be.

Commissioner Beebe: I agree. I think they have the expertise to do it. I heard the AutumnFest organizers had trouble getting vendors because they like to do two-day events instead of one day.

Mayor Elmore: Maybe we could say we want you to do three two-day events and nine other events and here is the amount of money to do it. So how specific do we want to get? I just know these are the businesses we're known for. Whether or not they help our businesses, I don't know. They might morph into something else over time.

Commissioner Yelton: What I'm hearing is that we want them to do at least what we're doing now as a city. If they want to add to it or shift some things around then go for it. Basically, they're taking over the CPP. As far as the details are concerned, they're going to go through their process and work it out.

Mayor Elmore: I think we should agree on an amount of money and say which events we'd like to have because we've had them and it's just for this year. Do you think we should ask for specific events?

Commissioner Fisher: No.

Commissioner Yelton: No but we could ask for what's already in the CPP.

Commissioner Beebe: I don't think so.

Mayor Pro Tem Giager: I would like to hear from the city attorney.

City Attorney Quinn: What's important from a legal perspective is to cite the services that will be provided. There's only one number that needs to be in there and that's the total amount. If you want to budget for them then we can do that through the IGA. If you want the DDA to decide how much money they put towards which events, then that's fine. If you want a particular event done then we can definitely list it.

City Manager Brown: That's how the CPP currently works. The City advertises that we have fifteen thousand dollars (\$15,000) and we don't know what we'll get as far as applications go.

Commissioner Fisher: When the City gives us a budget to review, we always know there are going to be police officers and public works. But we say what other categories of services we want from them, right?

City Attorney Quinn: Correct. I don't know that you want them to follow the same process as the City does.

Commissioner Yelton: I think we have some agreement here.

Mayor Elmore: I'm just trying to see how one comes up with the right number. So we'll keep it ambiguous.

Commissioner Yelton: I would like to preserve the CPP program in its current form as a baseline.

Mayor Elmore: The goal with the CPP was to jumpstart events.

Commissioner Yelton: I wonder if they would still want that designation?

Matt Delicata, DDA: I think a set amount of money is fine. In general, the DDA isn't designed to organize events. Someone can come to us and ask for money if they want to do their own event. In talking with people from Decatur, that's the best way forward.

City Manager Brown: That's the way CPP currently works.

Matt Delicata, DDA: I think it will be difficult to say you have to do AutumnFest. We were very lucky to have someone to do it this year. I don't think with the proper staff or money we should be required to do it.

Mayor Elmore: So can we agree that we will transfer the CPP to the DDA in the amount of fifteen thousand dollars (\$15,000)?

Commissioner Fisher: We're also talking about would they hire someone and would that be part of their roles and responsibilities. I agree with Mr. Delicata, if there's no staff you can't expect them to put on events.

Mayor Elmore: There is some logic behind giving them some money to hire a part time event planner. I'm just trying to justify things. Is the language here enough for us to get the services we want? I don't think it is. And there are other things I'd like to add like making sure the business association is revived.

Commissioner Yelton: I like to go into agreements with first, who and then what. We know the DDA has been charged with being successful at making some things happen. Who else do they need? They need to hire someone. I saw that in the agreement. I would also like to see roles and responsibilities and how that impacts our current staff. I would like to see that listed here to happen within the next 90 days so we can be clear about who is doing what, when and why.

Mayor Elmore: Can you give me an example?

Commissioner Yelton: I use the word RACI. I guess it's a common term for the consulting world. For any particular action, task or event you have a team involved in coordinating that. There's somebody who responsible, accountable, consulted and informed (RACI). Those are the four major categories but we don't have to stick to that. I see the DDA hiring a consultant to help work through that.

Commissioner Beebe: Isn't it their responsibility to figure this out?

Commissioner Fisher: And they're going to have to determine the cost. I think giving them a large amount of money and telling them to go do something with it is irresponsible. But if you hire someone and gave them a list of events and a dollar amount, that makes sense to me. Unless they hire someone, they won't have the staff or capability to spend the money. We could say these are the services we'd like them to perform, what do you need in order to perform those services knowing that they're volunteers. Then that could determine what other services are included in the IGA.

Commissioner Yelton: I would like a line item in there about roles and responsibilities within the first 90 days of this agreement.

Commissioner Beebe: I'm confused. I thought we were heading down the path of giving them the money and letting them figure out who they need to do it and all that. Now we're back to see how much things cost and then decide how much money they need.

Commissioner Yelton: I don't think the RACI is related to cost so much as it is clarifying the roles and responsibility of our existing staff.

Commissioner Beebe: But that drives the cost.

Mayor Elmore: Or we could say these are the services we want and here's the money to do it. That's what I thought this was about.

Commissioner Beebe: That's what I was thinking.

Mayor Elmore: We are purchasing services and I just wanted to get more specific about what we were purchasing.

Commissioner Beebe: I think the DDA can decide what they can and can't do.

Mayor Elmore: We're coming up with these drafts and asking the DDA what they think. This is not a final agreement but we need to get as close as we can. We need to decide what we want.

Commissioner Yelton: And that's what I like to see in service agreements in general.

Mayor Elmore: So we'll say this is what we want, here's a dollar amount, with the expectation they will come back and say this is how we think this will or won't happen.

Commissioner Beebe: Didn't we agree that we would give them the money and let them come up with the plan?

Mayor Pro Tem Giager: I think that's backwards. They should come up with the plan, a budget, with the minimum of what we'd like to see. We're telling them what to do when they should be saying these are the services we need to provide, let us know, and then we fund it. To me, we're doing things backwards.

Commissioner Beebe: Then should we tell them we want our current festivals plus some extra and have them give us a cost estimate to do that?

Mayor Elmore: We have a preliminary price tag and it looks to be a quarter of a million dollars (\$250,000).

Commissioner Yelton: Where is that number from?

Mayor Elmore: That's the second page.

Commissioner Yelton: And that includes the full time person? That makes sense.

Mayor Elmore: That's up front cost and annual cost going forward.

Commissioner Yelton: They could have learned some things since that estimate and maybe a consultant is the way to go, at least initially. I'd like to give them that freedom.

Mayor Elmore: Me too. There needs to be trust and I think there is a lot of it there. But we have to have some sort of justification for what we're doing.

Commissioner Yelton: I agree that we could have the DDA come up with the plan. I would like that plan to include roles and responsibilities.

Commissioner Beebe: I don't find that necessary. What I want from the DDA is how much it's going to cost. I consider the roles and responsibilities their responsibility. I think it's their business.

Commissioner Yelton: When you engage with someone who is going to provide services for you, it's ok to say this is what I expect from the team. Is it ok to ask that?

City Attorney Quinn: Sure, this is a contract. There will be consideration on services and money. Pretty much anything else each side agrees to can be part of the contract.

Commissioner Beebe: Regarding events, I just want to know how much they can do it for. I think they need to figure out how they'll do it. To me, the deliverable is their responsibility.

Commissioner Yelton: I think we have different management styles because I like to outline expectations up front. I think it's especially important in the first year. Maybe we could change requirements after twelve months after things get rolling and we start to have some success.

Mayor Elmore: In 17 months it's possibly going to be a different story. This is the first big step. We need the DDA to help us with economic development, here's what we think that means, here are the services we'd like and here's what we'll pay. Yes, we're driving it but I don't think it's backwards. We've been kind of talking about one hundred and twenty thousand (\$120,000). I think that's the threshold.

Commissioner Fisher: Once we enter into the agreement, do we give them the full amount and then we're done?

City Manager Brown: It depends on how the agreement is set up. The temporary agreement is set up where they get installments.

Commissioner Fisher: So we can set it up where they get the money for an event when they have it in case not all of it is spent.

City Manager Brown: If it's one hundred thousand dollars (\$100,000) for events, for example, then I recommend just giving the DDA the full amount and then at the end of the year all the books can be reconciled and you see where things are at. You just have to remember that it's taxpayer money so there needs to be some type of accountability.

Commissioner Fisher: I don't disagree. We do a zero sum budget every year but at the end of the year it's not zero sum. Not everything is spent out of it normally. Is that the same way this would work?

City Manager Brown: There will likely be funds left over or they will need to come back to the Board for more money. I doubt they will hit their budget amount exactly.

Sam Collier/DDA: I understand your trying to be careful with the money. From a practical standpoint, the way that happens is the Chair signs and invoice and it goes from one part of the finance director's desk to the other. So you can see everything in real time. I think it's kind of like a construction loan where you can do draws.

Dave Deiters/DDA: I appreciate the conversation the Board is having. The City has never done anything like this. This is public money and thank you for guarding it. Why don't we form an oversight team. For example, two commissioners and two DDA members. Let's write down the services you want to buy. You tell us what you want to buy the services for. We've given you how much we think it's going to take. Then the joint oversight team control what gets spent. If there's a problem, the members can go back to their respective bodies. There's a way to achieve the governance you're looking for.

Matt Delicata/DDA: We're fine if you want more oversight. How about if we want to do something that costs over two thousand five hundred dollars (\$2,500), I can come make a presentation to the BOMC and either you approve it or not.

Tom Merriam/8 Lakeview Pl: I spent my whole career in budgeting. We would do budgets, allocations, quarterly allotments, reconciliations. This is exactly what you do. You come up with a budget, a list of exactly what you're going to do, a timeframe, you take money in allotments. You just stay on top of it.

Mayor Pro Tem Giager: Are we considering anything with oversight that might violate the DDA charter or other DDA-related laws? Because we're supposed to be independent. I'm concerned we could be crossing a line.

City Attorney Quinn: I think you would want to be careful about what you call that group and exactly what their role would be. I think you raise a valid point. Once the DDA is appointed by the BOMC, they are independent. Likewise, the BOMC is independent of the DDA. But those groups are intended to collaborate. I think it's fine to have in a contract that these individuals will perform this role. But you shouldn't give that subgroup any real authority over the DDA.

Commissioner Fisher: They couldn't vote to approve anything but I like the idea.

Commissioner Yelton: It sounds like an operational team instead of a governance committee.

Mayor Elmore: The truth is we should be going to their meetings, they should be coming to our meetings.

Commissioner Yelton: I disagree. That's a lot. I have to trust the DDA.

Mayor Elmore: What I mean is we should just be paying attention anyway.

Commissioner Yelton: I do like to micromanage the first twelve months and I would like to see a requirement to do the roles and responsibilities. If we want to do an oversight committee then let's clarify that. It's about making sure everyone is on the same page, who is going to do what and how. This first twelve months there will be some transition. We have things that City staff is already doing.

Mayor Elmore: How exhaustive does this list need to be?

Commissioner Yelton: It doesn't have to be exhaustive.

Commissioner Beebe: I don't think oversight is the right word. Maybe DDA Chair Delicata wants to do that. But I think our role and responsibility is being done right here in funding them.

Mayor Elmore: I'm having trouble with this. They have to provide multiple written reports.

Commissioner Yelton: I do like making it twelve months in length with the opportunity to revisit and putting some things in the first twelve months about accountabilities that may phase out.

Mayor Elmore: I'm sure we're going to have to revisit this next year.

Commissioner Beebe: I think the approval threshold should be more like five thousand dollars (\$5,000). That's if we want to put controls on them. I personally don't like the idea. I trust the DDA. I trust they're going to do what's right. I think we should give them money and say here's what we want for our money. We can gauge where we are every quarter. If there are problems they can come to us. It should be simplified. But what they have in their paperwork is pretty broad. It puts the onus on the DDA to figure how they're going to accomplish this but that's not our problem. I would make the agreement for twelve months.

Mayor Pro Tem Giager: I agree. The terms of the temporary agreement are way too broad. I think they're doing an excellent job of getting educated on what their job is. I would probably go the full seventeen months since that's when the bonds will be paid off for the Department of Juvenile Justice will be paid off. I would do that for stability. That would give us more time to work with the situation with the building and all that. I think we should be more specific with the services but not put a dollar amount on any service. Just come up with an overall amount and go from there.

Commissioner Fisher: I'm fine with the services and plan they submitted some time ago. I have no problem with the dollar amount. I do think the DDA needs to hire someone on a full-time basis. I don't think they can be effective otherwise. I think we need to be very clear on the reporting structure, resources, working with City staff. That has to be fleshed out. That person working well with the City Manager is very important. We need to figure out what kind of accountability they would be having. I think we have to talk about the DJJ building and I think that needs to be done before we get too far into an agreement. I don't like waiting twelve months to do that. I like the idea of the city's finance director, Ken Turner, doing the accounting for the DDA for now. I'd like them to submit an annual budget to the BOMC to coincide when the City submits its budget to the state. I need to understand the section about real estate transactions better.

Commissioner Yelton: I suggest a twelve month term for the contract with automatic renewal unless six months' notice is given. Operational budget development, using the use the City's approved internal accounting procedures. Also, there should be an annual audit required by a third party. I support hiring a downtown development coordinator. I would like specific language about what the employment arrangement would be. Would it be a city employee or DDA employee? They should follow an open hiring process led by a selection committee. I know that's very specific but that is a request that I have. I would like to see a City staffer involved in the selection process. I would like the DDA and BOMC to jointly develop a template for budgets and budget development. When I say BOMC, I'm really talking about City staff and using their expertise to develop a template. Also, the DDA should work with the City on updates to the comprehensive plan, master plan and main street work plan. I would like to see them take the lead and be accountable. It's a service they're already doing anyway. I just saw that specifically written out in the Sugar Hill agreement.

Mayor Elmore: I think this is a pretty good agreement. As far as services, I would just like to say something about promotion of the business district. That they put on three two-day events or AutumnFest or something like that as a means of promotion for the business district. I would like something in here about reviving the Avondale Estates Business Association. I would like there to be a goal of fifty percent of our businesses being in it by the end of the year. As far as a staffer goes, I think that's totally up to them. As far as a downtown development coordinator, I think we should just put consultant. That just frees them up in a way. This first year that might be a more flexible route. As far as use of City property, I think that's fine. I think the agreement should be one year. I don't think it should be automatically renewed. I'm not sure about restricting their funds and having to get approval. Maybe for real estate transactions, yes. Otherwise, I think it would be burdensome on us. It's a little bit of trust. They can do this. If they agree to it, there is a section in the agreement that requires them to do monthly written reports to the city manager. And the chair will make quarterly presentations. I like the idea of oversight but if it's going to cause a legal issue then we should back off of that. I think the amount should be one hundred and eighty thousand dollars (\$180,000) for a year. I think it gives them a lot of flexibility and is a tolerable amount. We'd like them to take over the CPP and do it the same way we did it. If they want to

spend more on it than we did then it will come out of their overall budget. I think it's a good program.

Mayor Pro Tem Giager: Will we then do a five month agreement at the end of twelve months?

Mayor Elmore: To me, that's a way to get back to the table this time next year. You can take this same agreement and change the timeline.

Commissioner Fisher: Why don't we figure it out now? It's a big deal.

Commissioner Beebe: Are you talking about the DJJ building?

Commissioner Fisher: Yes.

Mayor Elmore: We're not there yet. Maybe that's added later but I just want to talk about this agreement. The duration and amount. You think it should be seventeen months?

Mayor Pro Tem Giager: It's cleaner. That doesn't mean we can't talk about the DJJ building anytime within that seventeen months. We won't have to talk about an interim agreement. It will save time. That's just my opinion.

Commissioner Yelton: I understand why you don't want to talk about it right now but we will have to talk about it.

Mayor Pro Tem Giager: I'm for it being fifteen thousand a month for seventeen months.

Commissioner Beebe: I'm for one year at one hundred and eighty thousand dollars (\$180,000).

Commissioner Yelton: I'm for the same. I guess that's ten thousand (\$10,000) a month plus sixty thousand (\$60,000) for the consultant?

Mayor Elmore: Approximately.

Commissioner Fisher: I agree with twelve months but I can't give you an amount.

Mayor Elmore: I'm flexible on the time amount.

Commissioner Beebe: As far as what's going to happen with the DJJ building, won't some of that start clearing up within the next year?

Mayor Elmore: I don't know. Let's hold off on that. Who thinks we should put in something about three two-day events and other monthly events?

Mayor Pro Tem Giager: I don't think we should include that. That's too specific. They have experience. Let's just tell them to plan events.

Commissioner Beebe: I would go with the minimum of what we currently have. But then keep it wide open otherwise. I don't want to lose any of our festivals.

Matt Delicata/DDA: Once that agreement comes back to us and our counsel we will kick it back. If one of the organizers doesn't want to host the event next year then we're forced to hire a planner to do it.

Commissioner Beebe: I understand. I withdraw that request.

Mayor Elmore: So we'll give them the CPP and we'd like them to use fifteen thousand dollars (\$15,000) for it.

Commissioner Fisher: I think they should have the CPP program. I'm not for putting an amount on it. I disagree with Mr. Delicata. AutumnFest is an important event. If we give you the time and resources, somebody will do the event. That's like saying we're not going to do July fourth. There are certain events that are part of Avondale and should be done no matter what. I don't care how long they are or the cost.

Rachel Herzog/DDA: A couple of the festivals we had this year could come and go. It was their first year. The DDA can't be responsible for every event.

Mayor Elmore: So we're just going to leave the language like it is right now.

City Attorney Quinn: If the Board wants the DDA to administer the CPP program then it needs to be added. We would need to add a minimum dollar amount too. So the fifteen thousand (\$15,000) would come out of their total budget amount?

Mayor Elmore: Yes. What about reviving the business association? I think that's important as a way for the businesses to communicate with the DDA and us. I think it falls under their mission.

Matt Delicata/DDA: I don't think there's a problem putting it in there.

Dave Deiters/DDA: DDA member Parke Kallenberg has taken ownership of that.

Mayor Elmore: What do you think about changing the language of coordinator to consultant?

Commissioner Beebe: I don't like the limit of either one of them. That should be their call.

Commissioner Yelton: I agree. We could say personnel resource.

City Attorney Quinn: The word coordinator doesn't specify if it's a consultant or employee. We can say they will either hire or engage with.

Mayor Elmore: I think flexibility would be good.

Commissioner Fisher: I think that's a crucial role. If it takes a consultant initially to figure that out, I'm fine with that. We just have to be very clear since there would be a lot of overlap with what City staff is already doing. Maybe the city manager could be on the selection committee.

Commissioner Yelton: A good pick would come in and assess the situation and interview all the stakeholders. You do have to incorporate who is doing the work now.

Commissioner Fisher: Maybe there needs to be a consultant initially to say what we need based on where the City is and based on where the City wants to go. You can't give the DDA a bunch of money to do events and expect them to do it without a person to help them do it.

Mayor Elmore: So do we tell them you have to hire this person and here's what they're going to do?

Commissioner Fisher: What they do should match the services the DDA is providing. That person just has to work with City Hall and vice versa.

Commissioner Yelton: I would like the line item to down downtown development resource.

City Attorney Quinn: The title can be anything the Board wishes. I like saying the DDA shall seek and engage a qualified individual. It could be a consultant, employee, or a combination.

Matt Delicata/DDA: We would want to find someone in conjunction with the City so we're fine if it's in the agreement. The city manager would be part of the process.

Commissioner Yelton: I will keep pushing for a roles and responsibilities matrix within the first 90 days.

Mayor Elmore: I think that's just telling them what to do.

Commissioner Yelton: But we're educating our current staff about their roles. We have some transition going on right now. It's not black and white. We're still defining things.

Mayor Elmore: I respectfully disagree. I think we need to leave it up to them.

Commissioner Beebe: Would it work if the DDA and City staff got together and discussed how they were going to work with this person and they decided and put it on paper?

Commissioner Yelton: Yes, and communicated it with everyone.

Mayor Elmore: City Attorney Quinn, can you put together some language that covers this?

City Attorney Quinn: I admit I'm unfamiliar with the concept.

Dave Deiters/DDA: I have done many RACI charts. If that's the holdup then I commit to doing one if you tell me specifically what things you want on it.

Mayor Elmore: Do we want to put this in the agreement?

Commissioner Beebe: I don't see a need for it.

Commissioner Fisher: It's not important to me.

Dave Deiters/DDA: I just need to understand exactly what is requested.

Commissioner Yelton: It's the processes involved around events, management, accounts payable, receivables. We already have people doing this on City staff so it's really about clarifying for them what they're going to be a part of and what they're not going to be a part of.

Mayor Elmore: How about this. Activities, initiatives, which they already have, that's their language. They've got these four initiatives. And initiative leader. That's what that is, right? Activities could cover everything. Initiatives are events, marketing/branding, business recruitment outreach, and real estate related.

Commissioner Yelton: I want to add to that financial human resources. As a process to support those initiatives. I don't want to hold it up.

Mayor Elmore: You've got to tell me how to put it in there.

Commissioner Fisher: Wouldn't they have to figure it out first?

Mayor Elmore: I want to figure it out now if we can. I think we should try as hard as we can to do this right now. However, I know the DDA will kick this back to us with comments. There's going to be back and forth. But I want to get our thoughts down on paper so we can say this is what we want. The financial things would fall under auditing, monthly reports, documenting expenditures, quarterly presentations.

Commissioner Beebe: That's already in here. If you're still talking about the roles and responsibilities of the new person, wouldn't that fall under section 2D?

Commissioner Yelton: You could put it under there.

City Attorney Quinn: It will say some specific things this person will be called upon to do, right? That sounds a lot like a job description.

Commissioner Yelton: City Manager Brown, what areas might require more definition? What might be unclear with some of these services from the DDA?

City Manager Brown: It would have to come back to defining what they want. One example of something we'd have to work together on is meeting with developers who are interested in doing business in the City. The new person wouldn't know all the policies and procedures of the City. That will just have to transition as that person gets into place.

Mayor Elmore: I think they know what they need.

Commissioner Beebe: Why don't we just add the reporting structure to the agreement?

City Manager Brown: They already have three options for the roles and responsibilities going back to previous meetings. Options one and two staff is pretty much doing that already. We are not doing the items with the higher level third job description. We just don't have time.

Commissioner Yelton: I hear what you're saying. I just want it on paper to be clear.

Commissioner Beebe: Where?

Commissioner Yelton: I just want the activity to happen between City staff and the DDA. City Manager Brown just gave a good example. Who is on point for receiving developer calls?

Mayor Elmore: I think if the DDA wants a hardware store, this person would go out and recruit a hardware store. I don't think it's an attempt to get into the city manager's territory. It's really in the ordinance.

City Manager Brown: But at the end of the day, the DDA is separate. They don't have to come to the City.

Mayor Elmore: In some ways I don't think they should.

Commissioner Fisher: I don't think we're going to have final language tonight.

Mayor Elmore: I know but I'd like to have as much finality as possible. Does everyone feel like they've gotten their thoughts conveyed to the city attorney?

City Attorney Quinn: I didn't hear a consensus on all of the key terms. I think you came to a consensus on a twelve month period. It sounds like the amount will be one hundred and eighty thousand dollars (\$180,000). What about the business association? We will include that. I have that they will administer the CPP and I'll attach documentation about how the City administers it. We'll add in that they'll sponsor events and leave the rest up to them. I'm not sure what you want to call the person they hire. I don't think that's very important but we want to give the flexibility for them to be an employee or an independent

contractor. We want to add to the DDA's reporting to the City instead of they'll just report their activities, they'll include their initiatives and initiative leaders.

Break

Mayor Elmore: Commissioner Beebe had to leave so he won't be here the rest of the meeting. So we've given our thoughts to the city attorney for him to put into legal language. Are we then going to hand it over to the DDA?

City Manager Brown: The IGA will come back to the Board to make sure all your thoughts were captured. After that it will go to the DDA for discussion.

Dave Deiters/DDA: There will be substance changes on our behalf as well as legal changes.

Mayor Elmore: The sooner, the better. And that's pressure on all of us. The last topic is about the Department of Juvenile Justice building (DJJ). The reality is that when that bond is paid off it belongs to the DDA. There are at least four scenarios as to what will become of the building. They will keep their current tenant at the current rental rate, they keep their tenant at a reduced rate, or the building is sold with the tenant or without (at a reduced rate because it's empty). It's difficult to talk about because it belongs to the DDA and we don't know what's going to happen to it. This is a very valuable asset that theoretically belongs to the citizens of the City but legally belongs to the DDA. If all things stay the same, that will generate two and a half million dollars (\$2,500,000) in clear revenue a year. If they sell it with the tenant still in it that could be a \$25 million windfall. The central business district (CBD) needs at least that much for infrastructure. The residential side needs work too. If there is a windfall, I'd like to respectfully ask that the City gets some of that. This is new territory for us. I'm not sure how fruitful any conversation will be considering all the various outcomes. Maybe tonight we could agree on a schedule to talk about it, set some ground rules, something. I never wanted the building to get in the way of the IGA because I just don't think we can figure it out right now.

Commissioner Fisher: I think it's an important part of the agreement and it's important to figure that out. One of the biggest issues is accountability. We're elected to be accountable. The agreement says any real estate transactions need to be approved by the BOMC. If they were self-funded, would they need to come to us for that? The bonds taken out by and guaranteed by the City to pay for that made the citizens responsible had the state moved out. I understand the DDA can't make investments outside the central business district (CBD), correct?

City Attorney Quinn: That's correct. The CBD is defined by the City. That can be amended.

Commissioner Fisher: I agree that the best use of those funds would be in the downtown business district. I don't want to be prohibited from funding an infrastructure issue if it's in the residential area. It's hard because human nature

is that everyone wants to be in control. I like the idea of putting together a task force to come back and report to the us and the DDA.

City Attorney Quinn: Such a group needs to have less than a quorum of each board or you announce meetings. Either way you'd be compliant with the law. As far as them needing approving from you if they're self-funding, aside from a contract like this, there is no state law on what they could do with their property. They would only need approval to do something like buy bonds.

Dave Deiters/DDA: I think a tax abatement might be the other thing?

City Attorney Quinn: I think you're right because the City is the taxing authority.

City Manager Brown: In regards to real estate, they'd still have to go through zoning.

Commissioner Fisher: This is an agreement that once you set the ground rules for it's still the same one you're using ten plus years from now. If we don't get the first one right then it's harder to get subsequent ones to work smoothly, in my opinion. I just think it needs to be discussed.

Commissioner Yelton: I know when the building was purchased the City shared in the risk so I'd like to see the City share in the rewards. I don't think we have enough information right now to do any kind of detailed agreement. But I would like to see documented a commitment to talk about it within an agreed to time frame. We're talking about a significant asset and the chance for the DDA and City to do some successful things.

Mayor Pro Tem Giager: I just want to go back to why we have a DDA. They were formed to be able to get bonds to build the DJJ building because the City couldn't do it. The taxpayers and the BOMC were responsible if anything defaulted. Every elected official since then has talked about how they can't wait for those bonds to be paid off so they could do good things for the City. I'm not saying the City deserves it all but just that reasonable people would think we need to share and do things for our city.

Mayor Elmore: If the building was sold at maximum value then the DDA could spend that money in the central business district and the City wouldn't have to. They would invest it in the area that needs investment. Either they spend it or we spend it. To just have the DDA be stewards of that building may be why we don't have much development. They're the key to economic growth. That's what the state created them to do. We need to talk about the future of that building in a structured way. But when the bond is paid off, they own it. I'm surprised no one thought about that back then.

Commissioner Yelton: I like the idea of a task force.

Commissioner Fisher: At that time, you probably had reasonable people who thought everything would be done in the best interest of the City. It just hasn't

been talked about in twenty years. I don't think that money should go to the City's general operating fund either. I think it should only go to infrastructure improvements. I know that's way down the road. I think a task force is a great idea. But I don't think we should wait six months to talk about it.

Commissioner Yelton: Can we include a commitment to form a task force in the IGA within a certain time frame?

Mayor Elmore: I would say yes.

City Attorney Quinn: There's really two main issues or decisions. One is who decides what happens to the building. Right now, that's the DDA. The second is how is any revenue dispersed.

Commissioner Yelton: What if it goes the other way and we end up in debt? The City is on the hook for that, right?

City Attorney Quinn: Not right now. That goes along with the decision making and that's encompassed by the ownership of the building. Hypothetically, the DDA could say as part of this agreement, we're going to give fifty percent interest in the property to the City. Then you'd have to mutually agree on major decisions. Or it could be forty-nine percent so they would still have the decision making power. The DDA could say we're keeping one hundred percent ownership and we're making all the decisions but we'll pay twenty-five percent of the profits into a fund.

City Manager Brown: If the bonds are paid off and the tenant moves out then who pays the utilities and upkeep of the building?

City Attorney Quinn: Right now that would be the DDA's responsibility.

Commissioner Fisher: But if the City isn't funding the DDA then it would be up to the City.

City Attorney Quinn: I don't represent the DDA but I think if they have obligations they have to find a way to meet those with their assets which would mean mortgaging the building.

Dave Deiters/DDA: I think what you just described is the scope of the task force. They would decide what mechanism of revenue would be pursued, selling it or leasing it. The second would be how to distribute revenue. You can make that part of the IGA and we could start meeting immediately. We acknowledge the importance of the issue. We have noble intent.

Commissioner Fisher: The draft agreement did have funding dates. Parts would be on a schedule and part would be funded as needed. That would be my preference. I can put something together.

Commissioner Yelton: What would you call that? An escrow?

City Attorney Quinn: It's not an escrow because there's no third party overseeing the money. But there are requirements on when the money can be taken. It's a lot like drawing on a construction loan. If the entire amount was deposited into the DDA's account at the beginning of the year, they have a very specific list of things they can spend their money on. Every time they spend money, it processes through that account. I guess the question is does the City want to review each of those expenditures?

Commissioner Fisher: I don't want to do that. If we approve a budget and X amount goes to the various initiatives. They can spend money and send us a bill for it. The money is still part of the same pot. We haven't really talked about that yet.

Commissioner Yelton: I'd like for the DDA to have flexibility. We're talking about cash flow, right?

Commissioner Fisher: Once you commit to the amount, you're committed. I wanted to clarify how we were going to fund it.

Mayor Elmore: I just don't want to limit what they can do and when. It sounds like it could put a burden on City Hall. Maybe January one should be a big transfer and that's it.

Mayor Pro Tem Giager: I want to do what's best for the City. If we put the whole amount in there at once we'll be losing interest money.

Commissioner Fisher: A budget is just a projection. At the end of the year there is always more or less. I thought what we discussed was that we would give them money as they needed it. I like that idea better but I don't feel strongly one way or another. It's included in the agreement that there are three payments coming out on a schedule.

City Manager Brown: That was just in there because it was ten thousand dollars (\$10,000) a month.

Mayor Elmore: Is this agreement going from October first to October first?

City Manager Brown: Not anymore. By the time the Board goes back and forth with the DDA I think it will be another couple of months before the IGA goes into effect.

City Attorney Quinn: We have an IGA in place right now.

Mayor Pro Tem Giager: The DDA can extend the current agreement until the long-term one is done.

City Attorney Quinn: They can only extend the time they use the ArtLot property. The extension does not include more money.

City Manager Brown: The biggest challenge is it's going to be in the IGA what the funds can be used for so what happens if a receipt for an attorney bill comes in and it doesn't have anything to do with what's in the IGA?

Mayor Elmore: I we just give them the money then there won't be receipts or requests or anything.

Commissioner Fisher: We just need to talk to the finance director to settle these things we haven't even thought about yet.

Dave Deiters/DDA: We're fine with any process the Board wants. We would ask for a minimum amount that's not subject to that process.

Item No. 4

Public Comment

Joe Anziano/3242 Wiltshire Dr: I would be for making the IGA to through to when the bonds on the DJJ building are paid off.

Lisa Shortell/6 Clarendon Pl: I agree. The more time you spend on this, the less time you have for other issues. It seems to me the longest term money generation thing we can do is to get this downtown developed. I caution you against hindering the DDA from doing what it's set up to do. If you don't fund them enough then they can't do it.

Dee Merriem/8 Lakeview Pl: The DDA is part of the City. I don't think it's an us versus them thing.

Mayor Pro Tem Giager: I understand what you're saying. This IGA is only an operating agreement. If they get an opportunity, they're free to come and talk to us. We don't want to hinder the downtown either.

John Pomberg/3380 Kensington Rd: I suggest the IGA be one document and then an amendment regarding the DJJ building be another. It could make things easier to understand.

Klaus Van den Berg/3243 Wiltshire Dr: There were great examples given about development at the Second Century Avondale event last night. The IGA doesn't have a long range vision.

Mayor Elmore: A lot of that is in the downtown master plan. The sterile language of the IGA is there because of legal issues.

City Attorney Quinn: On the DJJ building task force, do you want to specify who or what position of people would be on it?

Mayor Elmore: For now, let's just say two BOMC members and two DDA members and have quarterly meetings.

Commissioner Fisher: I think you need to do it more often at first.

Dave Deiters/DDA: Why don't you say the task force will bring suggestions to the other members by a certain date?

Mayor Elmore: Sixty days.

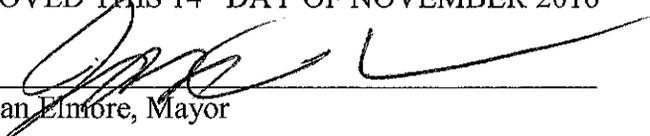
City Attorney Quinn: The Mayor and DDA Chair can appoint members. Two members from each would be good.

Item No. 5 Executive Session – Real Estate

Mayor Elmore moves to enter Executive Session. Commissioner Fisher seconds.
All ayes.

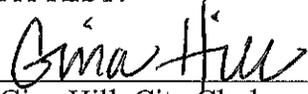
Item No. 6 Adjournment

APPROVED THIS 14th DAY OF NOVEMBER 2016



Jonathan Elmore, Mayor

ATTEST:



Gina Hill, City Clerk