

OFFICIAL PROCEEDINGS
OF THE
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE
CITY OF LOWELL

For the Regular Meeting of the Downtown Development Authority on Thursday, April 20, 2006.

The Meeting was called to order at 12:12 p.m. and Secretary Pasquale called the Roll.

Present: Catlin, Ford, Larkin, Lonick, Pasquale, Price and Chairman Reagan.

Absent: Doyle and Sprenger.

Also Present: Tom Richards, Dan DesJarden, Betty Morlock, Sue Olin and Liz Baker.

IT WAS MOVED BY PRICE and supported by LONICK to approve the minutes of the March 16, 2006 meeting as submitted.

YEA: 7. NAY: 0. ABSENT: 2. MOTION CARRIED.

Item #1. TREASURER'S REPORT. City Treasurer Sue Olin provided the following reports to the Boardmembers.

DOWNTOWN DEVELOPMENT AUTHORITY
ACCOUNTS PAYABLE
April 20, 2006

Alto Services	\$10,962.50
Lowell L & P	452.04
Patriotic Products	441.04
Petty Cash	45.17
US Bank	<u>20,402.50</u>
Total	\$32,303.25

DOWNTOWN DEVELOPMENT AUTHORITY FUND
FINANCIAL STATEMENT
APRIL 20, 2006

BEGINNING BALANCE:	\$101,704.34
REVENUE:	
Tifa Revenue	\$475,893.76
Interest	5,412.32
Miscellaneous Revenue	<u>1,016.00</u>
TOTAL:	\$584,026.42

EXPENDITURES:

Accounts Payable	\$1,253.12
Capital Outlay	55,686.50*
Accrued Wages	582.21
Maintenance Salaries/FICA	13,075.61
Maintenance Supplies	11,919.75
Utilities	6,256.11
Misc. & Community Promotions	15,773.33**
Debt Service	<u>192,578.75</u>
TOTAL:	\$297,125.38

ENDING BALANCE:

\$286,901.04

***CAPITAL OUTLAY**

Alto Serv	\$10,962.00
Kenmark	\$4,255.00
Lyonnais, Inc.	10,957.00
Rickert Electric	6,500.00
Spring Electric	21,769.50
Verdin Co.	1,040.00
Williams & Works	<u>202.50</u>
TOTAL:	\$55,686.50

****APPROPRIATED COMMUNITY PROMOTIONS:**

CHAMBER VISITORS	\$3,280.00 PAID
CHAMBER WOMEN'S EXPO	775.00 PAID
CHAMBER CHRISTMAS	5,600.00 PAID
CHAMBER ADV. CAMPAIGN	4,200.00 PAID
CHAMBER BANNER	1,150.00 PAID
PORT A JOHNS	680.00 PAID
SUMMER CONCERT SERIES	<u>6,000.00 PAID</u>
TOTAL	\$21,685.00

IT WAS MOVED BY LARKIN and supported by FORD to approve the Treasurer's Report as submitted.

YEA: 7. NAY: 0. ABSENT: 2. MOTION CARRIED.

Item #2. CONSIDERATION OF 2006-2007 BUDGET. The budget for the DDA was presented covering fiscal year 2006-2007 as follows:

DOWNTOWN DEVELOPMENT AUTHORITY FUND
BUDGET

	FISCAL YEAR <u>2005-2006</u>	FISCAL YEAR <u>2006-2007</u>
BEGINNING BALANCE:	\$101,704.34	\$ 95,136.18

REVENUE:		
TIFA	\$475,893.76	\$480,000.00
Interest	<u>5,000.00</u>	<u>7,000.00</u>
Total:	\$582,598.10	\$582,136.18

EXPENDITURES:		
Capital Outlay	\$55,686.00*	\$75,000.00
Maintenance & Admin.	46,953.92	50,000.00
Debt Service	211,075.00	208,886.25
Marketing	25,000.00	25,000.00
Promotions/Admn	20,600.00	9,800.00
Transfer to General Fund/City Hall		
-Police Station Bond	<u>128,147.00</u>	<u>128,147.00</u>
Total:	\$487,461.92	\$496,833.25

Estimated Ending Balance: \$95,136.18 \$85,302.93

*CAPITAL OUTLAY		
ALTO SERVICES (DPW FENCE		\$10,962.00
KENMARK (XMAS LIGHTS)		4,255.00
LYONNAIS INC		10,957.00
RICKERT ELECTRIC		6,500.00
SPRING ELECTRIC		21,769.50
VERDIN CO		1,040.00
WILLIAMS & WORKS		<u>202.50</u>
Total:		\$55,686.00

A brief discussion was held regarding maintenance items.

IT WAS MOVED BY FORD and supported by LARKIN to approve the 2006-2007 budget as proposed.

YEA: 7. NAY: 0. ABSENT: 2. MOTION CARRIED.

Item #3. LEGAL OPINIONS - MARKETING AND BIDDING. The Board received two legal opinions from City Attorney Richard Wendt regarding marketing and bidding in a letter dated March 30, 2006. First, the DDA has received a request from the Lowell Area Chamber of Commerce for \$25,000 per year for three years to support the Chamber's community marketing program. The question raised was this permissible. It had been understood that the total marketing will be at least \$100,000 and the DDA funds would comprise no more than 25% of the total budget. Further, the marketing program will involve the promotion of the City, but that a prominent part of it will include the promotion of businesses and activities within the DDA District.

Wendt said the enabling statute of the DDA was amended in September, 2005 to use tax increment revenues for marketing. But, it is necessary for the DDA to amend its Development and Tax Increment Financing Plans.

Once the amendment process is accomplished, Wendt stated in his letter that tax increment revenues may be used for community marketing. He also mentioned that based on

documentation the 25% contribution meets the proportionality basis since the DDA contribution can not exceed the benefits received from the program.

The second question asked by the DDA Board was whether the DDA in acquiring services or supplies could give preference to merchants located within the DDA Downtown District. The DDA's enabling legislation, Act 197, contains no requirement that services or supplies be obtained from the lowest purveyor through a competitive bid process. Further, to Wendt's knowledge, neither the DDA nor the City impose competitive bidding requirements on the DDA.

It was his opinion that if the DDA wished, it could give such preference. However, this should be implemented through the adoption of a policy by the DDA Board which carefully describes the process that would be used. In addition, while not mandatory, Wendt recommend that such policy be reviewed and approved by the City Council since it is required annually to approve the DDA's budget.

Item #4. RECOMMEND AMENDED PLANS TO INCLUDE MARKETING. In accordance with the opinion of the City Attorney, resolution was placed before the DDA to include marketing to the development and tax increment plans for recommendation to the City Council. The Council will act on the resolution at its June 5, 2006 meeting.

IT WAS MOVED BY PRICE and supported by CATLIN to recommend the City Council to amend the development and tax increment financing plans to include marketing.

YEA: 6. NAY: 1 (Lonick) ABSENT: 2. MOTION CARRIED.

Item #5. FUNDING CONSIDERATIONS

A. FURTHER REVIEW OF AMPHITHEATER. Pasquale gave a brief update on the amphitheater. He noted that the Lowell Area Schools had an interest in selling the entire parcel. He will keep the Board informed as discussions progress.

B. ELECTRIC METER CONSOLIDATION AND UNDERGROUND INSTALLATION AT THE GRAHAM BUILDING – TABLED FROM PREVIOUS MEETING. DPW Director Dan DesJarden provided an estimate from Rickert Electric to change to one electric meter and provide underground installation at a cost of \$1,894. The City would provide asphalt cutting and replacement as well as trenching and backfilling. DesJarden said this project does not fit the Downtown Historic District Commission's criteria for funding.

IT WAS MOVED BY FORD and supported by LONICK to approve the electric meter consolidation and underground installation for the Graham Building at a cost of \$1,895 performed by Rickert Electric and the City.

YEA: 7. NAY: 0. ABSENT: 2. MOTION CARRIED.

Item #6. OTHER BUSINESS. None

Item #7. DOWNTOWN PROMOTIONS – 2006-2008 CHRISTMAS DECORATION CONTRACT. Consideration of a Christmas decoration contract will be undertaken at the next meeting.

The next meeting was scheduled for Thursday, May 18, 2006 at 12 noon.

The meeting was adjourned at 12:54 p.m.

DATE:

APPROVED:

James E. Reagan, Chairman

David M. Pasquale, Secretary