



CITY OF WALLED LAKE
DOWNTOWN DEVELOPMENT AUTHORITY
TUESDAY, APRIL 11, 2017

The Meeting was called to order at 4:00 p.m.

ROLL CALL: Allen, Ambrose, Blair, Lublin, Maurer, Marshall,
Wlodarczyk

ABSENT: Ackley, Easter, Shuman

There being a quorum present, the meeting was declared in session.

OTHERS PRESENT: Executive Director Whitt, DDA Deputy Managing Director
Rodgers, Finance Director Coogan, Council Member Robertson,
Council Member Owsinek, Council Member Helke

REQUESTS FOR AGENDA CHANGES:

Finance Director Coogan asked to add a finance director presentation under new business item #3.

APPROVAL OF MINUTES:

**DDA 04-01-17 APPROVAL OF THE MINUTES FROM THE MARCH 14, 2017
MEETING**

Motion by Lublin, supported by Blair: CARRIED UNANIMOUSLY: To approve the minutes from the March 14, 2017.

AUDIENCE PARTICIPATION:

Dennis Burks, 206 Spring Park – began speaking by stating to the board: “If you do not follow the 3-minute rule it is illegal and you will follow the state law. Apparently not! Who lives in the immediate DDA area? It is state law.” Mr. Burks stated: “Who are they and where do they live?” Mr. Burks opined that it is illegal if they do not live in the area. Mr. Burks began a diatribe against Chairman Ambrose directly and stated: “I am asking you Ambrose. As far as I’m concerned Casey you are done!” Chairman Ambrose expressed his concern that the remarks by the speaker Burks were a threat.

Mr. Burks opined that anyone benefiting from the events from the beach party is doing it illegally. Mr. Burks asked how much money had been captured from the DDA and remarked, “Great bookkeeping you all.” Mr. Burks lay blame on the DDA for installing two drains going into the lake, saying “Great job!”

Kathleen Kubik – Commerce Township – said she is with a nonprofit with Plymouth school and would like to talk to the school board about the fabulous things Plymouth is doing with its 8% profit and a surplus of \$785,000. She said she feels bad about the community school being torn down and that it is going to be missed. She offered some of people to speak with from Plymouth. She offered to speak to someone from the city and said she can convince the city the program is worth it.

Gabriel Costanzo – 815 Bluffton – spoke about the DDA projects that have been put forth, planned projects, stating his opinion that less than \$1,000 was spent on actual DDA projects. He criticized the DDA board for having only had 7 meetings in the past year. Mr. Costanzo opined that there was a lot of missing potential with our DDA board.

Mr. Costanzo opined there is a lack of vision from the DDA. Mr. Costanzo said the cityscape and the business district both need immediate attention and the business district particularly along East Lake Drive is in need of DDA assistance. Mr. Costanzo opined that it is dying downtown ever since Pepino's restaurant was lost and that the vision had fallen. Mr. Costanzo stated DDA should make improvements to the sidewalk from Liberty and Pontiac Trail and there should be crossing walks from like beach like in Plymouth and Milford, traffic stops, pedestrian and crosswalk stuff. Mr. Costanzo said the city has spent almost a million dollars on the city complex since September and argued that the traffic flow and parking are not much better. Mr. Costanzo stated the capture from the DDA is supporting city funds and used as revenue for the city and that he believes that the DDA revenue \$700,000 is essentially being used to support the city with nothing in returned which he believes can be directly attributed to the DDA Director being also the City Manager. Mr. Costanzo opined that this might be a conflict.

DDA Member and Council Member Lublin had comments on what the prior speaker Costanzo had stated, correcting Mr. Costanzo's argument that the city public safety complex was the same after the expenditure of the city funds. DDA Member Lublin stated that the public safety complex has been greatly improved with the vision of city council. Lublin further contradicted the speaker Costanzo by pointing out that the DDA's board's plan has been saving money for downtown projects. DDA Chairman Ambrose explained that anyone can look at the history of DDA expenditure and see where the DDA money has been spent on many projects over the last several of years.

I. UNFINISHED BUSINESS:

1. Council Referral – Review proposed DDA Ordinance C-330-17
2. Review of current DDA Rules of Procedure

Executive Director Whitt said there has been discussion about the DDA ordinance and things were said that everything is wrong with the DDA with too many people, not enough people. He said the DDA ordinance out there actually changes the number of people and it reduces the number because some folks did not like the DDA business people who were not making it to the meetings for a quorum. He said not a lot has changed. The city council as a whole asked for a response back, if any, to whether or not if the ordinance should change the number of members

the board has eleven. The school board position has always been up for discussion. He said the body as a whole is looking for a response whether or not to change the ordinance to reduce the number. He said the DDA cannot make it higher.

Executive Director Whitt said the DDA rules are on the agenda as number 2 to reacquaint everyone with the layout of what the rules have been and it clearly layouts who holds what position. He asked if there is any response, if any, from the board on the ordinance so city council can address at the next council meeting. As for the DDA rules he said he would like to see as the executive director of the DDA, for the DDA board to move to receive and file the DDA rules yet again, so the record shows the history of rules and regulation are again in the record. Again people are politicizing the DDA saying they do not know the rules and they do not have the rules, this will put this debate to bed. He asked the DDA board when they get to item number 2 to move to receive and file so the record shows the whole packet that the DDA received yet again, is in today's record. He said positions seems to have shifted to cutting the size to have a quorum. He said some of the business owners had business to attend and did not make a few meetings and personally that is an absurd attack if a Walled Lake business owner is making money they should not have to feel obligated to come to DDA meeting where they volunteer for free. He said he has been here for seven years and he has made no money being part of the DDA. He said it is political hog wash. He said it is a political year.

Chairman Ambrose said there was a time when there was not a lot up for discussion or decision making required and as the board moves forward the board has received some resignation and received and file and has filled those positions. He said about the eleventh member, it doesn't really matter if it is ten or eleven the board still needs six for a quorum. He said the DDA has sat through a lot of tight years where a lot of things could not get done. The city was in cost savings mode/ non -spending and now is the exciting time where the DDA has some things. He said the project now is the DDA is looking at the drainage and storm drain system around the lake and prepping that area for potential development. He said there is an opportunity with the Community Ed building and property with the DDA. He said that is why the DDA was created to help those type of business owners.

Executive Director Whitt said the Mayor is prepared to make a nomination to the DDA. He said it is not that big of a change, the board can reduce the number by one or two. He said then who do you throw off but does not think the board should do that and recommends they fill the spot. He asked if there were any objections to leaving it the same.

DDA 04-02-17 MOTION TO RECEIVE AND FILE DDA RULES OF PROCEDURES

Motion by Ambrose, supported by Allen: CARRIED UNANIMOUSLY: To receive and file DDA Roles of Procedure

3. Discussion on DDA funding of the Commerce, Walled Lake, Wixom Trailway improvements

Executive Director Whitt said there is a meeting coming up and it is not the same as the meetings with the Mayors and Supervisor of Commerce. He said the communities are still working on putting a meeting together. He said he would like the board to pick a representative from DDA to attend the Trailway meetings to see where things are with the trail. He said the discussion brought up said it would bring a big boom to downtown. He said also discussed was there was a lot of money donated, nothing has been donated, it has all been paid by the taxpayers. Commerce Township taxpayers are paying another half a million dollars for the bridge. He said there needs to be a discussion on what is fair and equitable division of cost to stay part of the trail. He said if not the council can still decide to manage the trail themselves. He said the nonsense that money was donated and to go out and get a grant, he clarified if he were to get a grant it would be to buy education center, he would get a grant to fix the foster farmhouse, and other grants to fix more infrastructure before getting a grant for a grandiose trail. He said the city has a trail now the council wants the trail but just not the same size. He said it is not a free ride and the taxpayers are going to pay for it. He said there will be push back and at the meeting the twenty people who spoke, have their own agenda, the majority of them were not from the city and others that spoke were up for the Trailway manager position so their politics and views are different. He said the city is 11% of the population of the whole trail.

Chairman Ambrose said in regard to grants that seems to be the catch all that is thrown around is grants. He said this is exactly how this program started with rails to trails that wasn't going to cost taxpayers a dime and next thing people know the city is throwing in a quarter of million and then on the hook for a half a million. He said there was discussion about the equity of the city's amount of residents and share of the trail and paying the same amount as the bigger communities and the question was raised where does the city go with the rails to trails. He said there have been no grants and no money given to the city.

Executive Director Whitt suggested putting a committee together to be part of the discussion.

DDA Board Member Lublin said the city supports the trail and the city was always going to have a trail with or without the tri-party.

Chairman Ambrose said he would like to sit on for the discussion for the trail and also would like and alternate to be the liaison for the trail as well. He nominated DDA Board Member Lublin to represent the DDA as an alternate at the Trailway meetings

**DDA 04-03-17 MOTION TO HAVE THE DDA CHAIRMAN AND BENNETT
LUBLIN REPRESENT THE DDA AS AN ALTERNATE FOR THE
RAILS TO TRAILS MEETINGS**

Motion by Ambrose, supported by Allen: CARRIED UNANIMOUSLY: To have DDA Chairman and Bennett Lublin represent the DDA as an alternate for the Rails to Trails meetings.

4. NEW BUSINESS:

1. Discussion of 118 W. Walled Lake Dr. Zoning (old Pepino's lot)

Executive Director Whitt said the lot is for sale and at this point Pepino's is not coming back. The business owners have it up for sale and DDA needs to embrace that sale and help to facilitate. He said the DDA needs to send it over to planning and get the best possible zoning to get the maximum use of that corner lot. He said the DDA may want to get involved and acquisition the property to get it developed for the best reason not only for the downtown but to make downtown consistent with the master plan. He said it also brings in new tax dollar. He said he would like the DDA to commit to participating in contacting the sales representative and work with them and reestablish that relationship. He advised it could become a public/private partnership. He said the DDA needs to step up and show the board is alive and well. The DDA should help sell it. He said the DDA was part of selling the 1010 building and eventually was sold to Easter Seals. He advised the DDA needs to do that again with the Pepino's property. He suggested to instruct the executive director to contact Pepino's on behalf of the chairman and bring information back to DDA table.

Chairman Ambrose asked if it is zoned for CPD.

Executive Director Whitt said the area could be. He said that is an option to how the DDA helps to maximize the zoning. The DDA should partner with Pepino's and help develop and send it to planning commission. From the DDA's point of view it makes sense to direct staff to contact them.

**DDA 04-04-17 MOTION TO INSTRUCT THE EXECUTIVE DIRECTOR TO
CONTACT OWNERS AND CREATE A PARTNERSHIP WITH
PEPINO'S**

Motion by Lublin, supported by Wlodarczyk: CARRIED UNANIMOUSLY: To instruct the Executive Director to contact owners and create a partnership with Pepino's.

2. Discussion of 615 n Pontiac Trail – Community Ed Building Future Development Plan

Executive Director Whitt said this is the same as with the Pepino's property except is a bigger deal. The DDA has to get involved and participate with that and see what the zoning can be. He said the DDA should talk to people who can make money off of the property. The lady who spoke during audience participation had a good idea and the DDA should partner with the school. It is not on the tax roll right now and if the DDA can step in and develop another relationship with this group could benefit the city. He said the school board is going to sell and find someone to develop that land. The DDA should entertain people with the ideas for the property. He recommended a motion to direct city staff. He said this is the year people will come say the DDA did that wrong and it has happened before where people turn something into

something. He said the DDA is looking for a proposal and if there is no support then staff will not bring it to the table. He said it will be an expensive clean up.

**DDA 04-05-17 MOTION TO INSTRUCT STAFF AND EXECUTIVE DIRECTOR
TO REACH OUT TO THE SCHOOL BOARD AND WORK ON
CREATING A PUBLIC/PRIVATE RELATIONSHIP WITH THE
DDA**

Motion by Allen, supported by Blair: CARRIED UNANIMOUSLY: To instruct staff and executive director to reach out to the school board and work on creating a public/private relationship with the DDA.

3. Finance Presentation

DDA Treasurer, City Finance Director & CPA, Colleen Coogan explained that she was excited that there were audience members because she wanted to talk to them. Ms. Coogan said she was given a FOIA request from an earlier speaker, Gabriel Costanzo and she had to respond. Ms. Coogan stated she was getting quite irritated by these people purposely misconstruing the financial facts of what is going on in the DDA. Ms. Coogan spoke directly to Council Member Helke stating: "I am particularly happy that you are in the audience because I have sat with you several times and you don't really seem to understand what is going on in the DDA. So, I am handing this to you because you have sat on the DDA Board, you have been sitting on the city council meetings." Council Member Helke responded stating: "I resent the personal comment and being pointed out.

CPA Coogan said she also resents Council Member Helke's comments and the implications that the finances have not been managed properly. Ms. Coogan stated that when she came on board there were a lot of questions about the DDA dollars so the city manager directed her to get together a financial history so it could be shown where the DDA money was being spent. Ms. Coogan provided documents to the DDA board, Sue Helke and Gabriel Costanzo. Ms. Coogan explained that she had consistently handed out similar financials to the DDA board. At this point, Dennis Burks, a prior speaker, shouted at Ms. Coogan to "Get away from me." as she offered him copies of the same financials.

CPA Coogan said if you are really interested, read how this works as there had been a lot of false items brought up even just today. Ms. Coogan handed out DDA's actual financial statements.

Sue Helke gave instruction to Gabriel Costanzo stating: "Do not ask any questions."

CPA Coogan said going all the way back to 2008 she had reviewed the audited books every single year, and submitted financials to the State of Michigan. Ms. Coogan explained that she had a copy of the audit as well and copies showing the fund balance, because some people are saying that the DDA money is disappearing. Ms. Coogan stated she is maintaining the DDA's books and these are her assertions and the numbers are accurate. Ms. Coogan said the decisions the DDA as a body and council have made, have been in part because of the work she has done

to provide the board very transparent information. Ms. Coogan said she would like to revisit remarks by Mr. Costanzo so that Mr. Costanzo is aware that there are no DDA employees. Ms. Coogan said that in 2009 and 2010 the revenue crashed in the city and in the DDA particularly because the commercial properties in the City of Walled Lake went on a tailspin and that was in 2009 and 2010 and it was across the state but it hit the commercial very hard and it hit Walled Lake very hard.

Ms. Coogan stated that in 2012, the city decreased the service charges that had been charged to the DDA for treasury services, police service and fire service as a result of that revenue crash, the city decreased its service charges to the DDA by 16 percent.

Ms. Coogan explained that 2012 was the last year, the DDA authorized money for a conference and for personnel; and as a matter of fact it was Council Member Helke who had expended DDA funds for an out of state traveling with the prior DDA Director. Ms. Coogan explained that after that funding of Susan Helke's out of state conference the DDA discontinued spending money on things like that.

Ms. Coogan explained that in 2012, all personnel in the DDA were terminated and there still are no personnel in the DDA. Ms. Coogan said the city has increased its services to the DDA for no additional charges.

Ms. Coogan stated that the city did not increase its charges to the DDA. Ms. Coogan said there was a concerted effort by the council to make sure that the DDA did not have to spend the money, where it did not have the money. CPA Coogan explained that in 2013, the DDA's made a final rent payment, thanks to the current executive director negotiating rent free offices so that the DDA did not have to pay rent after 2013.

CPA Coogan explained that in 2014, the DDA had the last beach party and that was a difficult decision to not have the beach party, but it was a big dollar figure and there had not been an economic upturn yet. So as a result of the revenue crash, the DDA board took expenses way down. Ms. Coogan said that is the reason the DDA is able to have a conversation about finance now. Ms. Coogan explained that is the answer for people who want to ask the DDA why are you not doing anything? "Well now we can have this conversation because the DDA did not waste their money. It is only now that the DDA has enough money. "

Ms. Coogan speaking to Mr. Costanzo's remarks about the public safety complex improvements, opined that it was "very interesting that we want to spend our money fixing sidewalks in downtown but let's not worry about the parking lot that I have two worker comp claims on and there is a fire fighter that can't fight fires anymore because they tripped on your broken concrete in the parking lot that the city has been patching up as much as we can. I have fallen in the parking lot, the city manager, my son and the city has had people fall in the city parking lot. And as a matter of fact, another fiscal decision here the city did not build something next door for \$6 million dollars, so to spend a million to revise the public safety campus here is really very cost effective solution for your taxpayers. That includes the \$85,000 for campus lighting so people can see and it is paid from the general fund.

CPA Coogan while presenting a PowerPoint presentation stated: "The DDA is expected in the next two and half year to have \$2 million dollars. Susan, I want to make sure you can see this slide because I know you have consistently wondered where the DDA money is going." Council Member Helke responded to Coogan and said all of you people who are on the DDA board: "see what happen when you ask questions you get consistently called out. That is what happens when you ask questions." DDA Treasurer, City Finance Director and CPA Coogan responded to Council Member Helke saying she had been personally challenged about the way the finances work in the DDA and the City. Dennis Burks, a prior speaker screamed: "Yeah right, you are a proven liar."

CPA Coogan continues stating "Here is the DDA's city captured taxes and administrative service charges. CPA, Coogan stated to Mr. Costanzo, "You brought up that the DDA the was taking all the money back the city captured, that is an incorrect statement."

CPA Coogan stated to Mr. Costanzo that: "the DDA captures more money of the city's than the city receives back in service charges. As a matter of fact you can see right here where the city decreased service charges so the DDA was not handing back more of the money that was being brought in."

Again, Dennis Burks, a prior speaker screamed out his diatribe and stated that he had more questions stating: "Do you want to answer those?" Chairman Ambrose stated: "NO" and warned Mr. Burks not to become disruptive.

Mr. Burks stated: "I want to let everyone know, I am running for Mayor." There was considerable continuous laughter. Mr. Burks responded to the laughter stating: " I know you think it is funny, but believe it or not, more people know me than all of you put together, and when I get in here I am going to have a formal investigation and people are going to be behind bars. Mr. Burks further voice his idea of abolishing the City's police department by stating: "The police force is gone."

Chairman Ambrose spoke to Mr. Burks' continuous outburst stating: "Do not become disruptive, or you will be asked to leave this meeting. Thank you."

OTHER BUSINESS:

A. Planning and Development Report

Executive Director Whitt said the discussion will continue with the DDA folks who have an idea where they want to spend DDA money now they are not on the board and have not spent time looking at the past. He explained that the DDA went through a tough period and has done a lot with some sidewalks. He explained that there was absolutely no money being paid to any member of the DDA nor has any member of the DDA profited in the seven years he had been with the city. Mr. Whitt explained that he is the DDA executive director and that he received no salary from the DDA. He explained his compensation is paid from the city's general fund.

City Manger Whitt explained that Mr. Costanzo FOIAed information under implication that he wants financial records yet DDA information had been available for the last seven years.

Mr. Whitt answered the Costanzo FOIA and explained that the DDA executive director's position is not budgeted from DDA funds and the reason that is so is because city council determined that position are part of his job as city manager and he received no extra compensation for the extra work.

Mr. Whitt explained that the DDA's Deputy Managing Director, is paid from the general fund. The finance director, Ms. Coogan, receives absolutely nothing from the DDA, and is paid from the general fund. Mr. Whitt stated that Ms. Coogan is the DDA Treasurer, and to the extent there is an implication that she is getting extra money, she does not. Mr. Whitt explains that Coogan happens to keep the books for the city. Mr. Whitt explained that he held the additional office of City Treasurer, which was assigned by, through ordinance. Mr. Whitt explained that he did not receive any extra compensation although there is an implication that the DDA is paying extra for that. Mr. Whitt also addressed an implication that there are city secretaries receiving money from the DDA, city secretaries are not getting any money from DDA and there are no secretaries here.

Mr. Whitt explained that anyone that has been here any length of time, who wanted to speak on transparency would not have made a FOIA request that way, since they would have known these payments do not exist to begin with. Mr. Whitt stated that one only had to read the meeting minutes and read the financials which are on the web, on the state's website, that this is simply an election year. Mr. Whitt explained that when he arrived as the City Manager, the DDA was a target during election year nonsense--the DDA seem to get beat up when there is a city election. Mr. Whitt explained to the DDA board that there is a rich history of targeting the DDA: "So brace yourselves, it is not over." Mr. Whitt gave an opinion on the DDA's transparency stated: "I think we did a good job of becoming transparent."

Council Member Helke instructed Gabe Costanzo: "Don't even dare to ask any questions."

B. Executive Director Report

1. CORRESPONDENCE: None

2. CONSIDERATION OF WARRANT:

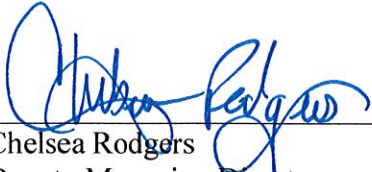
DDA 04-06-17 APPROVAL OF THE WARRANT FOR MARCH 2017

Motion by Lublin, supported by Blair: CARRIED UNANIMOUSLY: To approve the warrant for March 2017

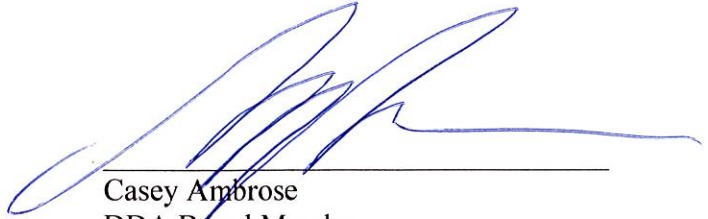
3. ADJOURNMENT:

DDA 04-07-17 ADJOURNMENT

Motion by Lublin, seconded by Allen; CARRIED UNANIMOUSLY: To adjourn the meeting at 5:08 p.m.



Chelsea Rodgers
Deputy Managing Director



Casey Ambrose
DDA Board Member