

**CITY OF CHELSEA
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS WORK SESSION
8:00 A.M., THURSDAY, March 6th, 2014**

Present: Cleary, Finger, Flintoft, Heydlauff, Holman, Lindauer, Merkel, Martinson, Patrias, Schwarz

Absent: Lindauer, Patrias, Sanville

Others Present: City Manager Hanifan, City Council Member Pacheco, Lisa Allmendinger
Chelseupdate.com, Dana Beehr – Sun Times

The DDA Work Session of March 6, 2014 was called to review the upcoming 2014-2015 DDA Drafted Budget. As a Work Session no decisions or board votes are made; decisions are made only by the DDA at a regular Board Meeting.

Hanifan reviewed the City of Chelsea DDA Budget Worksheet by line item answering questions during the review. The draft budget leaves very few funds for un-budgeted projects, \$654.00. A few notes discussed to consider from the work session:

- The property purchase of the Palmer Lot was setup in annual payments, in 2014-15 there is a \$150K payment due, and then from Sept-2015 the payments drop to \$100K/year with the final payment in 2018.
- The drafted 2014-15 Budget leaves no room for the DDA to consider projects not already in the budget. Programs such as the REU Program may have to be suspended for this budget year.
- The City does not yet have information on the impact of such a harsh winter on the maintenance of the parking lots which is covered in the DDA budget.
- With the current Bond (\$450K) the DDA/Hanifan were very conservative with the budgeting of funds for the three planned projects and has a 10% contingency built in.
- The 2014-2015 Budget will be on the March 20th, 2014 DDA Board Meeting Agenda and will need to be voted on no later than the April 17th, 2014 DDA Meeting. The Master City Budget will go to City Council for vote April 21st, 2014.

Notes respectfully submitted
Kathy Dunn Finger, Secretary

		2014-2015 Budget					
GL NUMBER	DESCRIPTION	END BALANCE 06/30/2013 NORMAL (AB)	2013-14 AMENDED BUDGET	YTD BALANCE 12/31/2013 NORMAL (AB)	% BDGT USED	LINE ITEM ESTIMATE	ASSUMPTION/DESCRIPTION
Fund 494 - DDA							
Dept 000-REVENUES							
494-000-402.000	TAX INCREMENT FIN. AUTH.	411,636.85	412,575.00	304,561.00	73.82	412,000	
494-000-403.000	REAL PROPERTY TAXES	24,952.53	24,882.00	25,146.05	101.06	25,280	Assessors anticipate 1.6% increase
494-000-403.001	REFUND RL PROP TX	(53.19)	0.00	0.00	0.00	-	
494-000-404.000	PERSONAL PROPERTY TAXES	12,066.62	12,525.00	11,550.45	92.22	10,646	Anticipate 15% decrease due to new legislation
494-000-404.001	REFUND PERSONAL PROPERTY TAX	(4.68)	0.00	0.00	0.00	-	
494-000-417.000	DELINQUENT PERS PROPERTY TAXES	0.00	600.00	411.97	68.66	1,500	Focused goal of collecting on highly delinquent businesses
494-000-531.000	MISCELLANEOUS GRANTS	19,136.00	0.00	0.00	0.00	-	2012-13 grant for Longworth asbestos abatement
494-000-631.000	BANNER HANGING FEES	440.00	500.00	182.50	36.50	500	
494-000-664.000	INTEREST & DIVIDENDS	177.86	250.00	111.32	44.53	250	
494-000-694.000	OTHER INCOME	250.00	235,300.00	0.00	0.00	250	Contribution by Ann Arbor Bike Club for maintenance of ZouZou's racks
Net - Dept 000-REVENUES		468,601.99	686,632.00	341,963.29		450,426	
Dept 294-DDA							
494-294-702.001	SALARIES & WAGES - PARKING	27,654.78	34,880.00	15,219.13	43.63	30,000	Police Parking Officer wages
494-294-702.002	SALARIES & WAGES	26,436.99	16,926.00	14,082.33	83.20	25,567	DPW maintenance and 10% of treasurer wages
494-294-715.000	EMPLOYER FICA & MEDICARE MATCH	2,660.69	3,198.00	1,414.89	44.24	2,938	7.65% of wage line items
494-294-740.000	OPERATING SUPPLIES	129.84	200.00	28.55	14.28	200	Routine expenses related to DDA operations such as paint, banner brackets, etc. Annual audit expense (\$1,285), 10% of budgeted assessor wages (\$5,175), Sculpture Walk (\$6,000), videotaping of meetings (\$3,000), legal fees and contingency (\$2,345), Garden Club (\$5,000)
494-294-801.000	PROFESSIONAL SERVICES	16,626.14	27,000.00	21,077.88	78.07	23,000	
494-294-801.001	MARKETING	20,000.00	15,000.00	0.00	0.00	15,000	Contributions to Sounds & Sights
494-294-801.002	MARKETING	25,000.00	30,000.00	10,000.00	33.33	25,000	Support of ChelseaFirst Marketing effort
494-294-920.000	PUBLIC UTILITIES	169.03	500.00	249.38	49.88	500	Utility expense for street lights in DDA district and Longworth building
494-294-935.000	GENERAL REPAIRS & MAINTENANCE	18,802.42	12,000.00	9,831.14	81.93	12,000	Monthly garbage pickup, street light maintenance, parking lot maintenance
494-294-943.000	INSTALLMENT PURCHASE	0.00	150,000.00	150,000.00	100.00	150,000	Purchase of the Palmer Lot, paid in full Sept 2018
494-294-958.000	MISCELLANEOUS EXPENSE	1,061.51	1,500.00	1,208.49	80.57	1,500	Chelsea Depot Association membership, DDA portion of MIML dues, A. Fody contract for bike racks, stormwater expense for DDA
494-294-958.002	DDA - HOLIDAY LIGHTING	8,526.43	8,000.00	0.00	0.00	2,500	Ongoing holiday light maintenance (split with Energy Optimization/Energy Efficiency)
494-294-967.000	SPECIAL PROJECTS	0.00	50,000.00	0.00	0.00	-	REU Program
494-294-970.000	CAPITAL OUTLAY	114,774.11	150,000.00	140,000.24	93.33	-	
494-294-980.000	DEPRECIATION EXPENSE	119,432.61	120,000.00	64,328.07	53.61	50,000	Assumes Longworth project completed
494-294-991.000	BOND PRINCIPAL - NEW	0.00	0.00	0.00	0.00	20,000	Estimate for new DDA bond
494-294-991.002	BOND PRINCIPAL	0.00	30,000.00	18,205.00	60.68	35,000	Paid in full October 2029
494-294-992.000	DEBT SERVICE INTEREST - NEW	0.00	0.00	0.00	0.00	21,138	Estimate for new DDA bond
494-294-992.002	DEBT SERVICE INTEREST	36,353.00	36,065.00	18,739.00	51.96	35,230	Paid in full October 2029
494-294-993.002	BOND FEES	250.00	125.00	125.00	100.00	200	includes estimate for new bond
Net - Dept 294-DDA		(417,877.55)	(685,394.00)	(464,509.10)		449,773	
Fund 494:							
TOTAL REVENUES		468,601.99	686,632.00	341,963.29	49.80	450,426	
TOTAL EXPENDITURES		417,877.55	685,394.00	464,509.10	67.77	449,773	
NET OF REVENUES & EXPENDITURES		50,724.44	1,238.00	(122,545.81)	9,898.69	654	