

**DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL MINUTES
Tuesday, August 16, 2022**

The meeting of the Downtown Development Authority Board was held on Tuesday, August 16, 2022, at 12:30 p.m. in RM. 149 B., 301 S. Ridgewood Avenue, Daytona Beach, Florida. The following people were present.

Board Members Present

Mr. Michael Sznajstajler, Chair
Ms. Sheryl Cook, Vice Chair
Mr. Joseph Hopkins
Ms. Quanita May, Commissioner

Board Members Absent

Ms. Tammy Kozinski

Staff Members Present

Mr. Ken Thomas, Redevelopment Director
Mr. Robert Jagger, City Attorney
Michele Toliver, Redevelopment Project Manager
Fredrik Coulter, Information Systems and Budget Director
Ms. Gina Fountain, Board Secretary

1. Call to Order

Mr. Sznajstajler called the meeting to order at 12:00 p.m.

2. Roll Call

Ms. Fountain called roll and noted members present as stated above.

3. Reports & Presentations

a. Budget Discussion

Mr. Ken Thomas, Redevelopment Director, provided a copy of the 2021-2022 existing budget spreadsheet prepared by Fredrik Coulter, Financial Director. He stated today we should be

evaluating and determining what would be our budget going forward. He stated a draft of the 2022-2023 has been provided so we would know the revenue that we are dealing with is \$321,235 and that is derived from our current Ad Valorem of \$203,592 and \$117,643 the revenues from government expenditures. He stated that at this juncture, I would suggest that we evaluate the several different proposals from our partners to do activities throughout the year. He stated if we want to move forward with those proposals we can do so at this time.

Ms. Cook stated Mr. Thomas you have put in numbers of \$1600 for promotional events and last year's budget it was \$13,200, so are these figures that are added on here not exactly what we are going to be discussing and voting on for figures.

Mr. Thomas stated they are if you want to go line item by line item we could.

Ms. Cook stated the question is where you have promotions that have been in the budget for \$13,200 and we spent \$9000 now were going down to \$1600.

Mr. Sznajstajler stated that you may want to look at the third page under expenditures there is another \$5500 for promotional advertising under other marketing is a portion of our budget instead of expenditures.

Ms. Cook stated she was only looking at the figures on the first page.

Mr. Coulter stated that he could make changes if it was necessary.

Mr. Sznajstajler stated the one question I have on the third page, just to clarify, this \$79,500 only includes Bullseyes closed set events and this does not include events for the Riverfront.

Mr. Coulter stated the reserve is a little over \$10,000, so you could easily increase spending right now on any specific line that comes out or you can wait during the course of the year in case we need to spend the monies sitting in reserve.

Ms. May stated do we have enough reserves at hand?

Mr. Sznajstajler stated the request is \$25,000 from Bullseye Marketing and we do have reserves of \$53,121 in DDA funds.

Mr. Coulter stated we currently have \$53,000 in reserve now and the question is do we actually get all the revenue that we expected because that is how we generate there and we may not, which would be based on 95% of people pays their property tax bills on time.

Ms. May stated we should have monies moving forward and would say \$25,000 was a safe bet to cover Bullseye Marketing request.

Mr. Sznajstajler stated the request it is half of our current reserve.

Ms. May stated that Mr. Smith with Bullseye Marketing has a pretty fantastic event schedule but do we foresee adding anymore or like this is where we are at right now because that would mean that in the future and moving forward after the rest of the year, we would not actually have anything for any special kinds of things that sometimes pop up or anything like that.

Mr. Sznajstajler stated that when he looked at the third page of the budget under reserve it showed the \$53,000 and then the year to date is \$11,000. He asked if the \$11,000 included in the \$53,000.

Mr. Coulter stated yes, the reserves consist of a lot of stuff and right now there is maybe more money coming in but right now we are below but there may be more revenue coming in.

Mr. Sznajstajler stated there maybe also requests for expenses between now and the end of September when our budget year ends that could reduce that number as well.

Ms. May asked do we know what is in the pipeline right now and if there a drop-dead time to get everything into us or is it a floating thing?

Mr. Coulter stated that he only actually see the fun side of things and do not actually see the expenditures.

Mr. Thomas stated we do not have any request between now and October 1st.

Ms. May asked is it a 30-60-90-day rule for payment.

Mr. Thomas stated that no, it is until the end of August and it would be shut down.

Mr. Coulter stated that if an event has already happened and a bill comes in four months out then it will still get paid up because if we get audited then we will be out of compliance, so we try to close them by Thanksgiving.

Mr. Thomas stated that new expenditures you would expect to see that on the next fiscal year but what we have on the books today as it relates to a monthly charge that we pay one particular company we will pay them in the months of August and September even if the bill comes in on September 30th.

Mr. Sznajstajler asked Mr. Smith are there any event contract for recent events that you recently held that you owed any payments through the DDA.

Mr. Smith stated the only thing we have not paid on is an August 5th event, which we have not submitted yet.

Mr. Sznajstajler asked between now and the end of September are there any others?

Mr. Smith stated the only other is the food truck event in September.

Ms. May asked do we pay ahead or behind and if submitted in September would it fall into this budget cycle or the next one.

Mr. Thomas stated that it would be in the 2022 budget cycle.

Ms. May stated we have two more events that have to come out of this amount.

Mr. Sznajstajler stated that the \$11,000 will likely go down.

Ms. Cook stated which means that we have really lost the \$53,000 but we only have the \$11,000.

Mr. Sznajstajler stated that in August it would be \$6500 and \$2500 in September totaling \$9000.

Mr. Coulter stated the biggest reason is because we did the situation by prior year's and the revenues from the single revenue it would be the Farmer's Market with the lowest revenue in the new year budget.

Ms. May stated the Farmer's Market we were looking at discontinuing, which would be a savings.

Mr. Sznajstajler stated that some funds that would be saved is almost \$18,000 left in this year's budget plus \$35,000 allocated in next year's budget.

Mr. Hopkins stated next year, the Farmer's Market budgetarily should be losing \$23,600, if that is worth it to you to bring people downtown. He stated if you are spending down something that is getting the people down now, whether is worth \$23,600 that is a decision to make.

Mr. Sznajstajler stated but I think canceling the Farmer's Market today, in my opinion, is to change the year to date \$11,000 minus the \$9000 because that revenue is not coming in and that the expenditure has already been made. He stated that we have already spent a portion of that on the Market Managers salary. He stated it is not like there is going to be a windfall of funds because of the way the budget is budgeted for a loss. He stated we have not changed the budget to account for the loss.

Mr. Coulter stated we do not change the budget in the current year, it is driven by your decision, occasionally it shows up when we do the City budget and then we wait for the other half year.

Ms. May stated that Ms. Kozinki and Melanie John, Market Manager, are not here to provide more input on the Farmer's Market.

Mr. Sznajstajler stated he would be really interested in everyone's thoughts on opening discussions with Espionage to see what their interests would be. He stated the Strategic Partnership Authority used to run the Farmer's Market for a number of years and it was not the DDA responsibility to run, it was the partnership that did it and a revenue generator for the partnership, not sure if anything was exchanged for that, but it was something that the DDA had contracted the revenue but not sure how that operated.

Mr. Jagger stated you are 100% correct, there were changes in the partnership that occurred at the time.

Mr. Hopkins presented the board with pictures that he had taken over the weekend during his visit to the Farmer's Market.

Mr. Sznajstajler stated if we could get staff or someone from the board to talk with someone from the Espionage to see what opportunities might be there and figure out how we could partner together on something and see what we can do.

Ms. May stated that she would like to be involved in that communication with them and see what we can do, what they would like to do and how many components of it to see how it ties back to Beach Street.

Ms. Cook stated but that has to be one person representing the DDA to work with them unless you have call meetings specifically with the two groups.

Mr. Jagger stated if you would like to assign Commissioner May the function of fact gathering information for consideration that would be fine as long as there would be no social cohesion.

Mr. Sznajstajler stated I guess we have to look at our part of the agreement with the City to see what it says overall about the Farmer's Market change when we get to the DDA or what things we would need to do to change things in it between the Farmer's Market once we know that it is possible.

Ms. Cook stated she wanted to thank Ms. May for her willingness to speak with the Espionage about the Farmer's Market because it is very discouraging right now to continue with the way it is and continue losing money in marketing. She stated that it is difficult trying to get more people downtown but if we can get some people that we can work as a group with them then we can help them out some way with it versus just closing it and not doing anything because there is still a need of it Downtown with SNAP recipients.

Mr. Thomas stated I think we should keep some money in the budget for the Farmer's Market side of it until we have the discussion with the Espionage staff.

Ms. May stated that her role when I am having a conversation with them would be just to get an idea of their intentions and a couple of different ideas for a one year period and then bring that information back to the board. She stated our next meeting is the second week in September or are we taking the first week of the budgetary meeting to have our meeting as well?

Mr. Coulter stated that the board has to be at the City Commission meeting, the first and third Wednesdays to tentatively approve the millage in the budget and formally adopt the budget.

Board members discussed how to present the budget during the first reading at the City Commission meeting that would include the Farmer's Market then amending the budget during the course of the year based on the final decision about the Farmer's Market.

Mr. Sznajstajler stated if the end result is we can not work something out with the Espionage then we will shut the market down and we adjust our budget accordingly.

Mr. Hopkins stated I do not see negotiation with the Esplanade is a contingency of points to shutting down the market and think we need to do that now. He stated that we need to look at the contract and we have a termination period that needs to be addressed and put this in motion because we cannot continue to go on like this. He stated if we are successful in coming up with something with Esplanade, so be it but to continue on this status quo does not make sense to me.

Ms. Cook stated how good is it starting a budget year projecting at a \$23,600 deficit to the Farmer's Market.

Mr. Sznajstajler stated without having our full support here, without looking though what the ramifications are to rebuild the city, without thinking about the market manager, we effectively terminating her job, which is the biggest expense. He stated right now at this moment I do not want to support closing the market, months from now, things might have to change differently based on how things go and what we hear from the market manager and where we think things are headed into the fall.

Mr. Coulter discussed the terms of the resolution for the adoption of the budget and when any changes could go into effect.

Mr. Jagger provided a summary of the terms to termination the Farmer's Market contract, which included the days required, presenting to the City Commission Board, and the commission cycle.

Board members discussed with Mr. Coulter the shortage from last year budget, miscellaneous revenue, appropriation of fund balance, leftover reserve, operating funds, and the remaining \$11,000 for this fiscal year.

Mr. Coulter stated the governmental financial statements do not matter quite the same as commercial.

Mr. Jagger stated the Market Manager contract can be terminated in 30 days.

Ms. May stated that would take us to the end of October if we want to do it.

b. Request for Funding

Al Smith, Bullseye Marketing, briefly summarized his calendar of events and budget proposal of \$79,500 for the 2022-2023 ,taking over the responsibility of the kiosk on corner of Beach Street to reflect all of his calendar events in a timely manner and he is not requesting any additional monies, and rack cards.

Mr. Thomas stated I do not know if you have seen it lately, but the kiosk is handled by Gold Marketing and currently up-to-date, however, there would be no problem with Mr. Smith taking it over because he is out there consistently. He stated that I think Mr. Smith is right on that

because if you look at his schedule tis year, he has a lot more on the calendar and so that calendar needs to reflect that.

Board members discussed 2023 scheduled events , \$20,000 seed money, and the five budget amendments with Mr. Smith. Both parties agreed to remove \$4500 from the budget that covered the 4/29/23-2nd Annual Spring Wine Walk and Daytona Downtown Nights on 5/5/23, which reducing the proposed budget request to \$75,000. Also, discussed the revenue increase from \$173,000 to \$203,000, increasing the appropriation of balance, and monies going back and forth between CRA's with Mr. Coulter.

A motion made to approve the contract at this point to incorporate the schedule and the contract is the same as what we have had in previous years, which is combined all the amendments with the notion that we are taking out those two events by Ms. May, seconded by Ms. Cook. Motion passed 4-0.

Mr. Jagger stated just to remind you that one of the amendments in the contract was to expand the reimbursement to the event producer the necessary out-of-pocket expenses associated with production of the event of the such amounts in the schedule by DDA, that is evidenced by invoices and marketing.

Katrina Guevara, Riverfront Esplanade, summarized all the calendar events and marketing for the Riverfront Shops beginning December 7th throughout the Christmas Holidays in the downtown area to support the requested \$25,000 contribution.

Mr. Sznajstajler asked so how you envision promoting the Riverfront Shops if we were to provide that \$25,000 contribution and how do you envision using our brand to help.

Ms. Guevara stated with working in conjunction with Keith Gold the marketing strategies such as brochures, fliers, newsletters, and advertisement on social media would list DDA as a contributing sponsor.

Ms. Cook stated I think what Mr. Sznajstajler was referring to is that if we are doing this as a sponsorship then it must be in our contract that you will be listing DDA as a sponsor in your marketing.

Ms. Guevara stated that as we discussed at our last meeting that there will be an DDA logo printed on brochures and fliers as well as taglines on radio ads and listed on social media.

Mr. Sznajstajler asked Mr. Jagger, if we approve this should we put together just a simple sponsorship agreement that kind of provides that we will get recognition.

Mr. Jagger asked Ms. Guevara is there a standard sponsorship agreement that these sponsors that we would like us to consider?

Ms. Guevara stated that we use Brown & Brown legal team and they are working on an agreement for this specifically. She stated we do have rental agreements and general sponsor

agreements on the small ones, so I do not have one to this magnitude of what you will be getting through this event. She stated I can ask them to re-edit one of those or if that is something you currently have when you sponsor events and I will send it to them for any edits, look overs, and we could sign it that way too.

Mr. Jagger stated I would suggest then is, I will take a look at their form to see if it is more sufficient or I will create one myself and you want to include in your budget today. He stated I will prepare the contract and you can approve the contract at your next meeting

Mr. Sznajstajler asked Mr. Jagger would we need a motion to amend the budget for the \$25,000 or do we even need a motion.

Mr. Jagger stated you have not approved your budget yet and that amount just needed to be added.

Mr. Coulter stated whatever you tell me to do with your budget and it will happen.

Mr. Sznajstajler stated that the consensus is we will include \$25,000 sponsorship to the Riverfront Esplanade, December to Remember event.

Ms. Cook asked are we supposed to be making the changes on the budget today?

Mr. Coulter stated since you do not formally adopt the budget the changes just happen, and the amended budget will be presented at your next meeting and that is the one you would adopt. He stated you are dropping \$4500 from Bullseye Marketing budget and adding \$25,000 for Riverfront Esplanade event budget then your reserve will go to zero and you will have whatever it takes to balance as appropriate.

Board members and Mr. Coulter discussed the balance of the reserve after the changes are made to the budget.

Mr. Thomas stated that page two of the proposal budget there has only been \$2000 spent of the \$6600 for promo marketing and at our last meeting we decided not to market the Farmer's Market so that would be addition funds in the reserve. He stated that this budgeted amount is strictly promoting the Farmer's Market.

Mr. Sznajstajler stated there should be one more change to the budget reducing the Farmer's Market promo marketing from \$6600 to \$4400.

Mr. Coulter stated the resolution will not have this level of detail, but I will be able to distribute this budget with the latest numbers at next meeting.

4. Public Comments

There were no comments

5. Board Comments

There were no further comments

6. Adjournment

There being no further business to come before the board, the meeting was adjourned at 2:07 p.m.


Mike Sznajstajler, Chair


Gina Fountain, Board Secretary