

Downtown Association

Sault Ste. Marie, ON

Board Meeting

496 Queen Street, East, Sault Ste. Marie
Tuesday March 14, 2016 @ 5:30pm

Attendance: Bryan Hayes, Board Chair; Paul Scornaienchi, Vice-Chair; Frank Gaccione, Treasurer; Kristi Cistaro, Director; Rory Ring, Director; Angela Romano, Director, Grace Tridico, Director, Josh Ingram, Manager; Dr. Gayle Broad, Community Adjustment Committee, Chris Pomeroy, Senior Management KPMG., David Helwig, Media

Regrets: Joseph Bisceglia, Director, Ross Romano, City Council Representative

1. Call Meeting to Order: 5:34pm

2. Approval of Agenda:

Move item 12 to item 5.

Moved: Frank Giacone, Seconded: Angela Romano

3. Declaration of Conflicts of Interest.

Josh Ingram introduces the board to the new Administrative and Communications Coordinator Ashlynn McMillan, 'If you recognize Ashlynn she temp-ed at the DTA office over the 2017 Downtown Street Party and Moonlight magic so she's already familiar with a percentage of her role' it was noted that Ashlynn will working 25 hours per week in the office. Ashlynn shared her passion for downtown, that she's playing catch up, and she looks forward to new efforts.

4. Community Adjustment Committee Presentation

- A presentation was made by Dr. Gayle Broad.
- Committee was struck September 6, 2016, working diligently to gather together Information as to where we are now. In order to plan for the future is to develop comprehensive wide reaching plan for the future.
- Priorities identified: Environmental sustainability, arts and cultural vitality, economic growth/vitality, social vitality.
- Futuressm.com has a comprehensive view of the research gathered, the below Link is a document for downtown development and research:

http://www.futuressm.com/wp-content/uploads/2017/02/Downtown_OnePager.pdf

- Rory Ring asks about the content after the disbandment of the CAC
- Dr. Broad informs the board that there will be documentations with major indicators in order to measure how we progress with the information collected.
- Dr. Broad informs that implementation should happen soon, a draft report will be Submitted April 10. No variation on the report following the April 24 date, in which it will be submitted to the Ministry of Advanced Education and Skills Development.
- Bryan Hayes asks to date how many people have accessed this report.
- Dr. Broad answers nearly 1,100-1,200 people however she did not bring exacts.
- Bryan Hayes asks if the information gathered can be shared to help us with Our strategic planning.
- Dr. Broad believes it's certainly doable so long as we take it for what it is, It has not finished being analyzed.
- Frank Giacone asks if there was a downtown core open house.
- Josh Ingram responds that although there were open houses in the downtown core there were none focused on downtown.
- Dr. Broad mentions that the arts and culture committee has discussed the Downtown in great lengths.
- Dr. Broad makes mention that the Mayor is the only elected official on this committee.
- Frank Giacone asks how this will be implemented.
- Dr. Broad states that the Community Development and Enterprise services will Be responsible for implementation.
- Josh Ingram clarifies that the deputy CAO Tom Vair will be charge of Implementation.
- Paul Scorniaenchi asks if the direction should be based on retention or population growth.

- Dr. Broad has recommendation for property growth.
- A discussion on whether the school boards should be responsible for Addressing some of the services needed to provide to our community. Dr. Broad uses the breakfast programs that are available to children And that was a service that was unheard of a few generations back, and We need to have services available for children prior to education.
- Paul Scornaienchi asks if the DTA could be consulted prior to making Suggestions prior to April 24.
- Dr. Broad states that we want all information. If the group wanted to Identify key areas and send letter that would be good.

5. KPMG Auditors Report

- Completed up to this point the year end 2016, draft statement and auditor's report has been circulated.
- First section is independent auditor's report, we are independant from board.
- Report highlights the different between manager responsibility and auditor Responsibility. That there are internal controls developed to make sure that These documents are accurate.
- Scoping requirements are the same to previous years.
- This auditor's report is a clean report, no errors, adjustments etc. All adjustments are of normal status.
- Draft date is March 14, 2017. The approval today will be the date used, and This conversation, signed representation letter is the final step.
- Actual statements: general overview
- Financial position, year of year cash has decreased slightly , term deposit hasn't been changed, increased slightly. Accounts receivable has decreased slightly.
- Majority of accounts receivable has to do with grants received.
- 'Due to City of SSM' has to do with write offs and adjustments and a small amount owed back.
- Frank Giaccone asks if that has to do with the rebate owed March 31.
- Chris Pomeroy states it has to do with adjustments re: your last payments Due for adjustments , the calculations are done on annual basis are reflected Within the report, any adjustments would be reflected within this 2017 budget.
- It's reconciled on the previous years adjustments.
- The difference in the cash received and the net amount is a \$691.00 difference.
- Capital assets have a large increase from \$1,200 to \$14,000 representing banners and hardware set up as assets. This will be amortized for the next 5 Years.
- Accumulated surplus is \$112,000 this year, slightly smaller than last year.

- Statement of opps. Revenue based on assessment budgeted by the city \$185,000 offset by expenses 'Assessments written off and rebates'
- Frank Giaccone states that vacancy has increased from '16 to '17 year.
- Total revenue down slightly, received slightly less.
- Expenses for the year is due to the downtown development initiative
- Frank Giaccone asks why it was included in our budget/actuals as this Was a one time expenditure. Is it possible to do it as a separate expense.
- Chris Pomeroy states that this is there as an expense.
- Bryan Hayes explains this was a transfer from revenues, accumulated Surplus, from an accounting standpoint is there another way to record this.
- Chris Pomeroy expresses for the purpose of this document, no. Statement requirements we cannot show revenue coming from a reserve to offset. We could roughly 6 years ago, but rules have changed for public accounting.
- Paul Scornaienchi asks, even by notation/footnote
- Chris Pomeroy states it does note on page 7 there is notation for accumulated Surplus and a portion was earmarked for this expenditure.
- Frank Giaccone asks, if going forward we wanted to spend funds from our Surplus then it will be over our budget once again?
- Chris Pomeroy states that in order to spending funds from our surplus it Must be budgeted and showing a deficit.
- Frank Giaccone asks how this happens as we request \$185,000 from the city.
- Chris Pomeroy states that as long as it's part of your approved budget showing Where the deficit comes from an annotation is fine, it would become part of Your statements to show you payed more than you plan to receive.
- Rory Ring asks if any of our reserves are restricted.
- The room clarifies no.
- Chris Pomeroy states that the \$35,000 selected for a specific task it was Then restricted via previous board decision.
- Operating deficit for the year based on revenues was under \$11,000.
- Net financial assets relate to capital assets, the purchase is recognized roughly \$15,000 with amertization.
- Statement of cash flows, outlining the decrease in cash for the year roughly \$6,700.
- Netbook value is \$14,000 at the end of the day.
- Footnote 3 describes some of the adjustments needed for public sector accounting.
- \$98,000 remaining in operating funds. Including the GIC.
- Chris Pomeroy notes that moving forward we have an annual lease agreement that expires January 2020.

- Bryan Hayes asks what has to happen to make this document official.
- Paul Scornaienchi asks, as we are driven by the municipal act, and that KPMG's Value is exceptional, he wonders if there is opportunity for the same amount of funds to have an engagement level from KPMG.
- Chris Pomeroy states he doesn't have this answers, fees are set via proposal Through the city, set up for independent auditor's report. Regarding interaction We do make comments to the management, and in terms of the records those Are ongoing and not usually additionally charged comments. In terms of Additional work it depends on what you are looking for and would be outside of The scope of these reports.
- Paul Scornaienchi asks if any sort of donation of assets to the DTA are there Charitable receipts, or any incentives, and are we classified as NFP?
- Chris Pomeroy states that correct, we are NFP but not a charity, and cannot Issue charitable status and do not hold that status.
- Frank Giaccone asks if there are any size/requirements of what's involved in this report, can it be minimized to reduce cost?
- Chris Pomeroy states that it is minimal already but meets standards of public Accounting and these documents are sent for technical review to a firm outside Of KPMG's office.
- The board reviews the letter of representation.
- Josh Ingram states that the letter clarifies the management responsibility and Auditor responsibility.
- Paul Scornaienchi asks if our contracted bookkeeper is inclusive of his responsibility.
- Chris Pomeroy clarifies, yes, because the bookkeeper is only using this information provided from the board of management.
- Paul Scornaienchi ask if we could include a signature for our bookkeeper.
- Chris Pomeroy states it's highly irregular.
- Bryan Hayes states that since 90% of information was from the manager, and That it's a clean audit opinion it doesn't seem to be an issue.

Motion: To adopt and approve the statements as filed, and that Josh Ingram sign a letter of representation.

Moved: Grace Tridico ,Seconded: Frank Giaccone

All in Favour Motion is Carried.

6. Approval of February 21, 2017 minutes

-Grace Tridico notes that she is listed as regrets, but was present.

Motion: to approve with the amendment that Grace Tridico be moved into present.

Moved: Angela Romano, Seconded by Rory Ring

All in Favour, Motion is Carried.

7. Managers Report

-First item is schedule of BIA conference.

-Second is patio pilot project with more information available March 20

-Snapchat filter has been applied for the DTA

-Sponsorship package draft for the Downtown Street Party

-Grants, in no particular order, waiting for strategic planning.

-Paul Scornaienchi asks if there is an opportunity to present a 'train the trainer' for staff and board members.

-Josh Ingram states it's the only reason he's presenting, and that one of the Seminars have to do with board governance and decision making.

-Paul Scornaienchi asks if the filter is based on youth promotion.

-Josh Ingram states that it's based on the conversation the events committee has had re: geocaching as this social media platform has to do with the same Technology. Additionally it will be great promotion for the other events we have.

-Paul Scornaienchi asks for clarification on the emergency action plan.

-Josh Ingram informs the board that the plan is being produced so the DTA can apply for private sector sponsorship dollars. This gives a detailed org plan for our events, where are evacuation locations, what happens when a child goes missing, how do you file your volunteers etc.

-Frank Giaccone asks what are the criteria/events we're looking at

-Josh Ingram clarifies: extreme weather, missing persons, fire, downed power lines, electrical failure, emergency contacts for the event EMS etc, as well as Physical altercation.

-Paul Scornaienchi asks if the events committee will be doing this or the Manager.

-Josh Ingram states it will be on the next events committee agenda however He hopes to have a draft available to review and augment.

- Frank Giaccone states that we don't need one for every events, just used On a regular basis.
- Bryan Hayes asks if the city of Sault Ste. Marie has some of these plans already.
- Josh Ingram states he has contacted some people within the city and EMS and Has only found an emergency evacuation.
- Frank Giaccone states that we should have a plan for daily emergencies with Membership.
- Josh Ingram states that last meeting we discussed a sponsorship program, I've consulted with other BIA's and they frequently have sponsorship Opportunities both inside and outside. In an effort to make residual funds I've created a sponsorship package. (not to supersede the events committee)
- The goal would be to contact members first, then businesses who are not Affiliated with the sectors housed within our bounds.
- Bryan Hayes asks if ultimately management is looking for events committee To come back for recommendation.
- Frank Giaccone asks who came up with values.
- Josh Ingram states it was based off research and values/expenses of our last Event.
- Frank Giaccone states that we should be looking for a title sponsorship
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8. Parking Update

- Bryan Hayes states that a number of information items wanting to be received To better understand parking, we indicated that if the city of Sault Ste. Marie wanted it to be part of the March 20th meeting then we would be seeking a Deferral. We have not received the information requested.
- Josh Ingram requested the information again, I was told those requests were Far to in the weeds and we would need to focus. The consultant gave 4 key options: a) status quo b) retain 2 hour free parking, charge \$1.25 hr afterwards. c) reintroduce the 2005 levi discussed at the open houses, which members stated was a better case than making their patrons pay or d) find a way to sell the lots back to the Downtown Association.
- Rory Ring asks if there was a discussion on the \$190,000 being last years and the budget deficit is only \$140,000. And that these funds are already incorporated into the levy. Also, how have they been able to find \$40,000 in new revenue and where have the expenses been saved.
- Josh Ingram states again a level of placating and that we get through the consultants report.

- Frank Giaccone believes we shouldn't be running through everything just because of weather.
- Josh Ingram clarifies that this committee was struck by council and will report A recommendation.
- Frank Giaccone asks when the recommendation will go forward.
- Bryan Hayes clarifies that it was originally scheduled for March 20
- Rory Ring states that recommendation may come from the report. From there there would be a recommendation for a council member To bring forward a resolution
- Josh Ingram doesn't believe this will make it to the March 20 meeting and The committee itself did not land on a consensus for recommendation.
- Bryan Hayes states that he is nervous and disappointed that letter sent Last month has not been considered.
- Bryan Hayes states that one of the recommendations being that the DTA Take over the parking, how is this board ever going to consider the option Without the information requested.

Recommendation: That we forward, to the Mayor, the correspondence "As of this date" that Our correspondence has not yet been replied to.

Moved: Frank Giaccone, Seconded: Paul Scroeinchi

9. Vacant Tax Rebate

- There is a letter from Joseph Bisceglia
- A letter from Sargin
- A letter from the Sault Ste. Marie realestate board
- Josh Ingram clarifies the resolution: resolved that the report of the Chief Financial Officer and Treasurer dated 2017 03 06 concerning Vacancy Rebate Provincial Changes be received and that staff be directed to begin local business consultation regarding the elimination of the vacancy rebate and redirection of funds to the Economic Development Fund Reserve.
- Rory Ring mentions the OBIAA has a large stance that is principal switching the vacant rebate to the attraction rebate. This economic development fund will vanish somewhere else.
- Frank Giaccone clarifies that this takes money out of the ower and gives it to the City of SSM.
- Rory Ring states that this new rebate would be used in conjunction with a property standard.
- Frank Giaccone states that as a building owner or tenant he cannot endorse.

-Grace Tridico asks if we should be all writing letters to the city

-Bryan Hayes believes it's premature to make a decision, or state a position at this meeting. A formal position needs to be known, the city needs to know we would like to be part of consultation process.

-Grace Tridico states that we are constantly chasing the city, that she stands behind all letters sent to the Downtown Association and believes the rest of the board thinks the same, and that we should write a letter on behalf of the Membership.

□-Frank Giacone believes we should send a document out to the membership including all the options.□

-Paul Scornaienchi believes this is happening due to the city being aware of their Balance Sheet, however perhaps they have experience with some overdue vacant properties and this small percentage should be considered. If you receive this this rebate then there should be stipulations, a realtor on board, etc. However he does agree that these above steps need to take place.

□-Rory Ring identifies that we need to let the city know that our governing association is bringing this to the provincial level and that there is activity on the file. The city needs to not take action on this until there has been a comprehensive study that has been done. As well as alternatives that might assist the development of Downtown. It's not the elimination, it's a demonstration of investment, they want quality buildings, quality tenants. □

-Frank Giacone states that there are rebates, but it's businesses who are out of town, larger scale, those on Queen St. private business owner, it's an extremely small percentage. These funds are small, they cannot do a new facade to their building, they're simply getting a break for small.□-Grace Tridico asks if we're going to request a hirer percentage on the rebate.

□-Frank Giacone suggest why we weren't consulted ahead of time.□-Josh Ingram mentions that further the COC and BIA had Kay Matthews (President of the OBIAA) and a meeting with the planning department in which the OBIAA would be championing at the provincial level, this is information known by the City since September of 2016.

Recommendation: □a) that we write a letter to the city of Sault Ste. Marie requesting a part in the consultation process, □b) that we may want an opportunity to present a formal position of the Downtown Association in due course. □c) To send a letter out to the membership with the letters received and the options being considered. □d) To be on record with the city making them aware that the OBIAA is at the provincial level discussing this and to not make decision until results have been presented. □e) Make sure that we are part of the

consultation process, and that we may want to present our own position. □f)
Request that the membership bring their complaints to the Downtown
Association Board. □g) That we state that the elimination of the Vacant Unit
Rebate cannot be endorsed by the DTA and that its results would be detrimental
to the downtown core
g) To have, within the letter to the City of SSM, if you know things will effect the
downtown please include us right away. □h) and refrain from hiring any
consultants without our consultation first. □□ Motion: That staff draft a letter on
behalf of Chair (Bryan Hayes) including the recommendations illuminated
throughout discussion. Additionally that a survey be released to membership with
the three letters discussed, when approved by submitting parties, in order to
inform the board on the membership's opinion on the rebate.

Moved: Paul Scornaienchi, Seconded: Grace Tridico
**Frank Giaccone obtains.*

10. Strategic Planning update

- Rory Ring acknowledges the time crunch.
- Something coming out of it will be a need for a significant amount of survey
Information in the future.
- A number of themes have come up, events, financing, locations, market
segmentation, PR, capacity building. These are some of thematic buildings, BIA
specific. When you get outside of our board you see different complex dynamics.
- We will need to through some of these things as a board.
- Weaknesses - advocacy, brand (more as downtown as opposed to BIA)
The need for more events, engagement, infrastructure.
- What is our value proposition?
- Opportunities - downtown leadership, membership engagement.
- A number of items identifying our role as increasing the GDP of downtown,
This has a lot to do with people attraction. Also the responsibility to increase
Assessment. By activity, capacity building, leadership we can increase the GDP.
Which will increase the assessment.
- Threats governance and value are biggest threats.
- Political -impact on revenue, and our role for advocacy. Economy directly
Impacting our ability to drive revenue and member business viability.
- Out of all the data we're seeing a throwline via activation.
- We need to take a look at the variety of arguments for expansion.

11. Tourism Week

- Each year On travel info centre does a summer tourism season kick off. The DTA could be involved as they have in previous years.
- Prize packages throughout the week.
- Allowed to set up displays in the travel centre. (1 option)
- Or we could reach out to members and get a prize package together.
- A way to get locals involved in visiting the downtown.

12. Event Date Analysis

- Report as submitted
- through membership canvassing, sending the question to BIA managers, as well as previous experiences with running our event in tandem with other events, as well as a SWOT it has been deemed that running our event at the same time seems to be in favour of keeping our event during Rotary.
- Kristi Cistaro believes that with the synergy with Canada150 & Rotary, that Information only strengthens us staying with the date that is also Rotary.
- Josh Ingram states that there might be a larger opportunity for partnership As Rotary collaterals will need to be printed next year. (they print every 2 years)

13. New Business

- Advancing our survey capabilities. \$408 completes every task we need. Next Package is available at \$1,100, isn't needed.
- Rory Ring states that we can offer these surveys to our membership and recoup those funds possibly.
- It would have to be done at DTA office only.
- Frank Giaccone states that we should be sure to use it, and if we go over we just
Need to explain that fact.

- Grace Tridico asks if we can call PWT to repair potholes in the downtown area.
- Frank Giaccone agrees, he does state that potholes are a city wide issue Currently.
- Bryan Hayes suggests we have Ross Romano contact the city on behalf of the DTA.

- Josh Ingram states 3 new members: Superior Health Centre, Winnie B's, & Kings Barber. 1 card is for KwikCopy (Pam) who will be leaving.
- Kristi Cistaro states that we have a new business opening up in heritage square, in turn we should sign a card tonight and Josh Ingram complete it once we know the business and contact.

-Frank Giaccone asks why Ashlynn McMillan isn't at the meeting.

-Josh Ingram states a redundancy due to writing minutes.

-Paul Scorniaenchi states that she should attend in lieu of time worked.

-Josh Ingram states that he wants the membership and staffing line to be augmented back to previous discussed.

-Josh Informed people of the cultural corridor meeting as invite for all members.

13. Meeting Adjourned: 7:55pm

496 Queen Street E, Sault Ste. Marie, ON, Canada P6A 1Z8

Tel: 705.942.2919 Fax: 705.942.6368 Email: info@saultdowntown.com

Web: www.saultdowntown.com