

# Downtown Association Sault Ste Marie, ON

## Board Meeting

496 Queen Street East, Sault Ste Marie  
Tuesday, February 13th, 2018 @ 5:30pm

**Attendance:** Bryan Hayes, Board Chair; Paul Scornaienchi, Vice Chair; Frank Gaccione, Treasurer; Joe Bisceglia, Director; Kristi Cistaro, Director; Rory Ring, Director; Grace Tridico, Director; Josh Ingram, Manager; Ashlyn Mcmillan, Admin. And Communication; Gary Trembinski, Queen Street Cruise; Gary Trembinski Jr, Queen Street Cruise; Chris Pomeroy, KPMG; David Helwig, Media;

**Regrets:** Angela Romano, Director; Ozzie Grandinetti, City Council Representative; Sergeant Robert Gioia, Sault Ste. Marie Police Services liaison officer.

**1. Call Meeting to Order: 5:40PM**

**2. Approval of Agenda:**

- Bryan Hayes - Move Item #4 "Approval of Minutes" to after Item #6 KPMG Draft Financial Presentation
- Grace Tridico Addition to Item #10 "New Business" - Procedure

Rory Ring **Seconded:** Grace Tridico

**3. Declaration of Conflicts of Interest:**

Joseph Bisceglia - In regards to Queen Street Cruise Presentation

**4. Queen Street Cruise Presentation: - Gary Trembinski**

- Gary Trembinski presents Information regarding the 3rd Annual Queen Street Cruise and asks the support of The Downtown Association
- Gary Trembinski explains the concept of The Queen Street Cruise is to bring back the vibrancy of downtown that transpired in the 1960's & 1970's.

- Queen Street Cruise experienced some issues with attendance due to weather, which affected the capacity of the event and the closing of Queen Street to traffic , and they have decided to forgo closing Queen Street for 2018.
- Essar Centre has committed to closing Essar Parking lot, June 15th & 16th for this event.
- Gary Trembinski asks that The Downtown Association encourage the merchants to remain open to participate in this event.
- Gary Trembinski asks that The Downtown Association help as they have in previous years by: Allowing use of the offices, Use of The Downtown Association Insurance Rider & Encourage merchants to participate.
- Kristi Cistaro inquires to what the hours of the event would be, to inform the merchants of Queen Street
- Gary Trembinski explains that Friday June 15th will operate from 5PM until 11PM and Saturday June 16th 10AM Until 4PM.
- Gary Trembinski mentions that he is lacking the EDC employment from last year, and asks The Downtown Association if there is feasibility of applying for an EDC worker
- Josh Ingram mentions that The Downtown Association will be employing an NOHFC intern, and The Queen Street Cruise has utilized The Downtown Associations resources before, and could be utilized again.
- Grace Tridico asks if The Queen Street Cruise has contacted local hotels to inquire about discounts if they are in attendance of the event.
- Gary Trembinski explains why there is currently no discount available, but would like to see one in the future
- Josh Ingram explains that previous years The Downtown Association has aided The Queen Street Cruise financially, so if a sponsorship package becomes available, to forward it to The Downtown Association office.
- Gary Trembinski explains The St. Ignace Car Show
- Bryan Hayes asks Josh Ingram & Kristi Cistaro for a motion of Support of in-kind resources for The Queen Street Cruise

**MOTION:** Support of in-kind resources for The Queen Street Cruise

Kristi Cistaro **Seconded:** Frank Giaccone  
All In Favor, No Opposed

## **5. KPMG Draft Financial Presentation:- Chris Pomeroy**

- Chris Pomeroy discusses the Audit Report, Results of the Audit & A high level discussion of statements.

- Chris Pomeroy states no issues with the completion of the audit
- Chris Pomeroy requests approval of the audit from the Board of Directors, followed by a letter from Managing Staff - Josh Ingram
- High level of management is responsible for explanations of numbers within the audit, along with number variation from previous years
- Auditor is responsible for confirming the numbers presented, testing based off auditing standards, and attest to the numbers to provide a clean audit with no issues.
- Financial positions, cash year or year increase fo \$17,000 due to operational surplus.
- GIC holds at \$27,000 approx.
- Accounts receivable: up by \$7,000 due to HST claims and timing issues with CRA
- Accounts rec: up by \$8,000 due to speaker purchase.
- Levi difference of just under \$900
- Total accumulated surplus up by \$25,000
- Operations for the year 2017: revenue increase, assessment same budget as years past, \$184,986 was actual.
- \$19,000 in grants and other
- Sponsorships up \$8,000
- Sublease \$1,800
- Expenses: decrease overall largely due to lack of \$35,000 downtown development
- Surplus of \$26,000
- End of year cash: \$91,000
- Bryan Hayes states that the board doesn't budget activity within reserves, however the Board of Directors does, and plans to use the reserve.
- Chris Pomeroy clarifies that the boards definition of 'reserve' is in fact, for accounting purposes 'accumulated surplus'
- Rory Ring clarifies that restricted reserves/internal restrictions would show on the line item discussed.
- Joseph Bisceglia leads discussion regarding around term deposit for our surplus.
- Rory Ring suggests policy re: restricted reserve policy , business operations etc.
- **MOTION:** Any funds not necessary in the next 30 days be put in a 30 day term deposit.

Joseph Bisceglia **Seconded:** Kristi Cistaro  
All In Favor, No Opposed

**MOTION:** The Downtown Association Board of Directors explore the options of a Reserve Account.

**Moved:** Joseph Bisceglia **Seconded:** Paul Scornaienchi  
All in favor , None Opposed.

#### **6. Approval of the January 2018 Minutes:**

- Grace Tridico asks for a point of clarification of the January 2018 Minutes, Regarding Item #6- Downtown Strategy Update-Consultant Roger Brooks
- There is a Motion of Approval in Principle- for an upset limit of \$15,000 for Roger Brooks Consultant, however, there is a defect regarding this motion as this was not moved nor seconded.
- Grace Tridico expresses that to her understanding, you cannot have a motion in principle without a mover, and a board member to second this.
- Grace Tridico mentions that Item #7- Approval of the 2018 Budget - The minutes state that “ Josh Ingram presents the Potential 2018 Budget as written, with the addition on line items : Total Income \$171,000, NOHFC funding \$19,600, Grants & Other \$22,900. This does not explain anything regarding the Consultant Roger Brooks, or to explain the previous \$10,000 The Downtown Association approved in item #6.
- Grace Tridico believes there is an misunderstand as to what The Board of Directors will be talking about at The Annual General Meeting- and would like a point of clarification in regards to the consultant Roger Brooks & The Budget
- Bryan Hayes mentions that he was under the impression that collectively the majority of The Board of Directors was for the budget being brought forward to the membership, as we have a motion approving the 2018 budget.
- The Budget includes the \$10,000 NOHFC funding & the \$15,000 expense for The Consultant Roger Brooks
- Bryan Hayes explains that The Membership of the Downtown Association ultimately approves the budget, and he intends, as agreed to within the January 2018 Minutes, that The Board of Directors will be discussing the consultant.
- Josh Ingram explains that The Membership will receive an Agenda for the AGM explaining that discussion will be had in regards to the consultant Roger Brooks.
- Bryan Hayes explains that if the majority of The Board of Directors did not agree with the consultant fee, the line item would not have been placed into the budget.

- Bryan Hayes intent as Chair of The Board of Directors is that he will bring forward a recommendation to the membership to support spending the \$15,000 on the consultant, unless otherwise directed.
- Bryan Hayes explains how he will present this subject to the membership, and does not believe that it is proper procedure to express a lack of unity within the Board of Directors, but will do so, to identify all concerns regarding this consultant.
- Grace Tridico would like the minutes to reflect that she is in opposition of the hiring of the consultant, and does not believe that there was a motion and there is no mover, or seconder.
- Grace Tridico also explains The Board of Directors cannot approve the budget as presented, but approve it in principle, because it must be approved by The Membership
- The discussion leads to the entire Board of Directors agreeing, and the fact that the budget needs to be approved by members was not in dispute.
- Joseph Bisceglia asks for clarification as to what was approved in the January 2018 Minutes
- Bryan Hayes explains that there was approval of the draft budget which included:
  1. \$10,000 for the NOHFC Intern
  2. \$15,000 for the Roger Brooks Consultant.
  
- Bryan Hayes makes note of a correction in the January 2018 minutes that some of the dollar amounts listed are in USD and are to be corrected.
- Grace Tridico would like clarification from The Board of Directors as to how a line item was approved to be placed in the budget, without having a separate motion/resolution
- Bryan Hayes explains that the budget was approved as a whole, including the reserve expenditures (now references as 'accumulated surplus)
- Bryan Hayes believed that by approving the 2018 budget, That The Board of Directors were authorizing & recommending the consultant.
- Frank Giaccone explains that when any finances are used from the reserve fund (accumulated surplus) , it must be approved through The Board of Directors, Frank Giaccone states that there should not be a negative line item listed in a budget.
- Kristi Cistaro states that to her understanding The Board of Directors approved the Budget, as it would be approved at The AGM by the membership.
- Grace Tridico believes that the minutes are defective, and does not believe that this Item can be brought forward as a budget line, as it has not been moved.
- Bryan Hayes states that the 2018 budget has been approved on a board level.

- Grace Tridico believes that the approval of the consultant was overlooked.
- Bryan Hayes gives the option to discuss the consultant more fully, and have a motion during this meeting, or continue with the plan of bringing it to the membership for approval at the Annual General Meeting.
- Paul Scornaienchi believes that some board members may want to hear the approval of the consultant in a different format, but ultimately it was approved within the approval of the 2018 Budget.
- Rory Ring explains that when he reads the minutes it appears that the NOHFC Application is in the contractual agreement stage, whereas, the consultant the negotiations are still taking place, so it appears as the board of directors is comfortable with the consultant fee and allocate the funds, but there was not a motion to actually hire the consultant.
- Grace Tridico states that when The Board of Directors were working on the Policy Manual, it was decided that any expense over \$10,000 must be approved by the membership.
- Frank Giaccone believes that our budget should reflect a zero balance deficit to the membership, and indicate that we are intending on spending money from the surplus, on these two items.
- Grace Tridico believes that The Board of Directors should seek a second opinion as to how the minutes are written, and how to move forward
- Bryan Hayes would like to see a motion brought forward
- Joseph Bisceglia explains he would like to abstain from voting due to his absence during previous discussions
- Frank Giaccone would also abstain, unless The Board of Directors begin the discussion again regarding the consultant
- Joseph Bisceglia asks Bryan Hayes that if another board member is opposed to an issue, are they not allowed to speak at the Annual General Meeting
- Bryan Hayes expresses that if The Board of Directors approves an item, then it is the opinion of the board, and the opposing board member has a fiduciary responsibility to support the position of The Board of Directors.
- Bryan Hayes believes that The Procedural Manual should be updated to ensure that a procedure is put in place, if a situation like this arises in the future.
- Grace Tridico would like to defer voting on the consultant until the membership is aware of hiring.

**MOTION:** To defer voting on the consultant until the membership is made aware of exactly what we would like to hire a consultant for, and every reason/detail and in detail in regards to benefits and risks of hiring a consultant before going to the AGM

Grace Tridico **Seconded:** None  
Not seconded, motion doesn't carry

- Joseph Bisceglia explains that this suggested motion should be separated into individual motions. 1) defer, 2) inform general membership
- Joseph Bisceglia asks is there a timeline for this consultant, and are we the contracting party.
- Bryan Hayes explains that it is a three-way agreement, but there is no contract as of yet
- Rory Ring explains that that awareness has been made to the membership, Rory Ring explains that there is an essence of time, as we have a potential date for the consultant to visit in June.
- Rory Ring explains it has taken a years time to ensure The City of Sault Ste. Marie, Roger Brooks (DDA) and the DTA would like to have a partnership in regards to this consultant, that the strategic plan outlines brand initiatives, open houses brought to membership to review, and webinar information pieces. With a partnership with the city to pay 50-60% of the consultant.
- Grace Tridico asks how The Membership has been contacted in regards to the open houses, as at the last open house hosted at The Civic Centre, there was few members of the community in attendance.
- Josh Ingram explains a poster was given to each member as an invitation, Ashlyn McMillan, Admin & Comms staff called each member in regards to upcoming events & Mailchimp email, our facebook banner and website banner was updated and was on all our social media platforms.
- Kristi Cistaro personally emailed 6-8 members in an attempt to boost participation
- Grace Tridico would like to have a motion to defer, and host another open house.
- Bryan Hayes will not support this motion, but would ask that the board support & that he will present the information to the membership to the best of his abilities.

**MOTION:** Defer, and host another open house for membership to learn about The Consultant- Roger Brooks

Grace Tridico, **Seconded:** None  
Not Seconded, motion doesn't carry.

- Bryan Hayes believes that the AGM is that forum in which to discuss the consultant.
- Paul Scornaienchi expresses that there is a sense of “at stakedness” which has The City of Sault Ste. Marie excited, Paul Scornaienchi believes that this is a focused goal
- Grace Tridico asks Paul Scornaienchi what guarantee does he have that The City of Sault Ste. Marie will implement this consultants report, and that taxpayers money should not be wasted
- Paul Scornaienchi believes that it depends on the level of work in which each party involved puts into this project.
- The board of directors discuss the validity of consultants vs. the DTA’s own subcommittees.

**MOTION:** The issue of the approval of allocation of \$15,000 line item seen in the 2018 budget, to be discussed at the 2018 Annual General Meeting.

Joseph Bisceglia **Seconded:**  
Not Seconded, motion doesn’t carry

- Rory Ring discusses that dissenting conversation via rules duty of care, loyalty and obedience should in fact be done at regularly scheduled board meetings and not at an AGM. Good governance should hold the board of directors to that responsibility.
- Grace Tridico asks if that is within any DTA policy.
- Bryan Hayes Suggests a Motion that the consultant line item remain within the 2018 budget and it will be discussed at the AGM.
- Grace Tridico asks where it states that in the Jan 2018 minutes.
- Grace Tridico asks that The Board of Directors have a discussion before votes are casted
- Grace Tridico believes that Bryan Hayes is rushing this item without proper membership knowledge and avoiding transparency in the way this budget was presented.
- Bryan Hayes hopes the transparency is visible at the AGM.
- Frank Giaccone asks what is the next steps if The Membership votes against The Consultant
- Rory Ring explains that the next steps would be to approach The City of Sault Ste. Marie to inquire if they would cover the entire cost of the consultant instead of doing a 3-way partnership split expense.



- Grace Tridico requests a recorded vote

**MOTION:** The Consultant line item remain within the 2018 budget, And be endorsed by The Board of Directors, This will be presented with both opposing opinions, to the Membership at the 2018 Annual General Meeting.

**Voted In Favor:** Rory Ring, Kristi Cistaro, Paul Scornaienchi, Bryan Hayes.

**Abstained:** Frank Giacco , Joseph Bisceglia

**Not In Favor:** Grace Tridico

**Approval of Minutes:**

Rory Ring **Seconded:** Paul Scornianci

**All in favor, None Opposed.**

**7. Policy Approval:**

- Bryan Hayes explains that upon discussion with The City of Sault Ste. Marie- Rachel Tyczynski - (Deputy Clerk) The Downtown Associations Policy Manual must be approved before the Memorandum of Understanding with The City of Sault Ste. Marie can continue.
- Bryan Hayes explains the proposed policy manual.
- Josh Ingram explains that there has not been any changes since the last discussion.

**MOTION:** Defer Discussion of the Policy Manual until the March 2018 Board Meeting

Joseph Bisceglia **Seconded:** Paul Scornaienchi

**All in favor, None Opposed.**

**8. Manager's Report**

- Josh Ingram would like to submit Manager's Report as Written

**Approval of Managers Report:**

Rory Ring **Seconded:** Frank Giaccone

**All in favor, None Opposed.**

**9. Annual General Meeting Format:**

- Bryan Hayes explains the Format of the upcoming Annual General Meeting
- Bryan Hayes explains that there will be discussion of use of Surplus funds for the NOHFC Funding & Consultant, as well as seeking approval from the membership
- Grace Tridico asks for clarification as to how the line item which contains The Consultant Roger Brooks will be discussed & approved.
- Bryan Hayes explains the membership will know we are asking to expense funds for a consultant, as stated in the agenda. He states that he'll move down each line item, call for a vote for the budget as a whole. He will seek approval for the NOHFC expense first, then the consultant. Should the budget be denied he will amend a vote minusing accumulated surplus expenses out of the overall budget.

**MOTION:** Approval of the proposed Annual General Meeting Agenda

**All in favor, None Opposed**

**10. New Business:**

- Josh Ingram explains the "Rotary Gives 100" Grant & The Downtown Association eligibility for up to \$5,000
- Josh Ingram would like to apply to to this, for event infrastructure.
- The deadline for the application is Friday February 28th 2018, And funds to be awarded in March 2018.
- Joseph Bisceglia inquires if there is any funding available to Queen Street Cruise
- Josh Ingram states he will look into possible funding options and inform the committee

**MOTION:** To move forward with the Rotary gives 100 Application

**All in Favor, None Opposed.**

- Josh Ingram informs the Board of Directors of an event benefit for a member, and that tickets are available from our office.
- Grace Tridico asks for clarification on procedural issues such as, who can speak to the membership.  
Bryan Hayes would like to have hold a training session in regards to Board Etiquette and Board Protocol
- Bryan Hayes mentions that we may want to invite Malcolm White to our training session
- Bryan Hayes reads a direct quote from Malcolm White in regards to board approvals.
- Bryan Hayes hopes that this will alleviate some concerns within the Board of Directors, as well as prepare for the future.

- Grace Tridico asks for clarification as to what a board member can discuss with the membership
- Bryan Hayes expresses that he believes once the board of directors come to a decision, that all board members will abide that.
- Bryan Hayes expresses that he does not feel like expressing an opposed opinion in a public form is appropriate
- Grace Tridico expresses that her comments at the webinar were justified, and she has devoted 9 years to The Downtown Association, & Financially invested in The Downtown, She will continue to be vocal when she believes she has to.
- Bryan Hayes reiterates that he understands her point, but believes it could be a violation of procedure in his experience.
- Grace Tridico disagrees.
  
- Bryan Hayes informs The Board of Directors that a member Parliament for The Conservative Government will be visiting Sault Ste. Marie to host a form on taxes, They approached Bryan Hayes to inquire about interest.
- Bryan Hayes believes that this could be a conflict of interest.
- The Board of Directors do not believe this is a conflict of interest, but appreciate the decorum, and General Manager Josh Ingram will attend on behalf of the DTA.

**Motion to Adjourn:**

Joseph Bisceglia **Seconded:** Grace Tridico  
All In Favor, None Opposed.

