

**Downtown Boone Development Association
Board of Directors Meeting
Thursday, July 23, 2010
9 a.m. Watauga County Library Conference Room**

Recorded Attendance

Board Members – Carrie Phillips, Boone Drug; Sheri Moretz-Vice President, Mast General Store; Lynne Mason, Town Council Liaison; Jean Borhman, Char Restaurant; Bob Meier, Doe Ridge Pottery; Linda Smith, Hands Gallery; Dempsey Wilcox-President, Property Owner
Staff - Mary Baker, Director
Public -

General Administration

Dempsey Wilcox called the meeting to order at 9:08 a.m.

This meeting was called for an update on the status of the contract to administer the Municipal Service Tax funds collected by the Town of Boone.

At the Town Council meeting last night, July 22, the Council voted on an interim contract that would allow the DBDA to be the contractor for the MSD funds and the Main Street program until December 31. Mayor Clawson emphasized that it would be an interim contract. At the Town's meeting, there was much discussion on whether the contract should be issued without the collected funds and that the organization could operate over the course of the six months until the fund balance was exhausted then the town would give enough funds to carry through until the end of the contract. Council members Mason, Brantz, and Phillips felt strongly that one half year's funding should be given to the DBDA as the administrator of the funds.

The Council expresses much concern on the way funds are spent and wishes that the organization adopt a more accountable way of tracking staff-time and spending. Fund accounting is suggested for tracking monetary issues and would also be tied to staff-time. Staff members would need to track their time in agreed upon increments to show what is being paid for by MSD funds and what can be expensed to sponsorships or other contributions.

The Council has concerns about staffing and questions the need for an additional part-time person along with work-study students and interns. After explanation to the Council, it was agreed that more staffing could be employed as long as it was in the budget and was broken out and correctly accounted for.

Questions were raised about the directional signage in the Downtown area and the need to have it up-to-date in order to correctly identify businesses that are in operation. The first suggestion was that these be updated each month. After the realization that these signs cost \$3500 each time they are updated, it was agreed that they will be updated quarterly as the need arises. At that, the total for the budget is \$14,000 or 15% of the total budget for the year.

The by-laws for the DBDA may need further updating to accommodate the differentiation between the MSD and the Main Street program.

The Council is also concerned about the role of the Organization Committee. Decisions should continue to be made by the full board.

The Art Crawl invited many concerns of the Council and how funds are collected from MSD members and others that participate that are outside the MSD boundaries. It is the opinion of counsel for the town that no member paying the tax should be charged for any service and that those outside the district should be charged a fee substantial enough to cover all expenses, including staff time, in dealing with the event. The DBDA currently looks at this event as an opportunity for sponsorship, with those who are paying for the event receiving extra exposure, and those who are not still getting an ancillary benefit of people being downtown. The Art Crawl moving forward will still need its own separate budget, but staff time should be accounted for more closely if non-MSD members are going to continue to participate.

At the time of the Council meeting last night, no one had seen the terms of the contract. The town attorney passed it out to Council members at the meeting. It includes several items that will require negotiation. Dempsey Wilcox, Greg Young, Lynne Mason, Sam Furguiele, and Mary Baker will work on an agreement that is acceptable to both parties.

Lynne Mason suggested that perhaps the Town could take over check writing responsibilities to help save the organization some time and to be a good partner. She also volunteered to share the time-tracking system that she must maintain at the Hospitality House. While it seems like a lot of work up front, it will provide good information on time usage and where funds are spent.

The work plan and budget will need modification again before the August meeting.

The Board of Directors will meet again on the morning of August 5, 2010 in the library conference room.

There being no further discussion, the meeting was adjourned at 10:00 a.m.

Minutes respectfully submitted for your approval

Sheri J. Moretz