

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CD Committee)
TUESDAY, DECEMBER 15, 2009 – 6:00 P.M.
CITY COUNCIL CHAMBERS – 3RD FLOOR – CITY HALL**

Present: Scott Wallschlaeger (Chair), Theresa Bobula, Patricia Tyler, DeAnne Westerman, and Bill Kimbler

Absent: Ron Bushey and Jennifer Baumann

Staff: Keith Hamre, Karen Olesen, Chuck Froseth, and Steven Robertson

Roll Call: 5 present, 2 absent

**1. Introductions – CDC Chair
Overview of the Public Hearing and Process for Hearing Public Comment**

Wallshlaeger called the meeting to order at 6:03. He welcomed the audience and reviewed the notice of the public hearing.

2. Overview of Public Comments received during the 30-day Public Comment Period – Keith Hamre

Hamre related there were several written comments received from the public. Mimi Stender (Fit City Duluth) submitted a written comment supporting a redesign planning project for 6th Ave East. Pam Kramer (LISC) submitted a written comment supporting the applications for Northeast Entrepreneur Fund, SOAR, CHUM, and NYS Duluth at Work. Blair Gagne (True North Americorps), Jeff Palmer (YMCA), David Shaffer (YMCA), and approximately 100 persons submitted written comments supporting funding for the Youth Collaborative.

3. Opportunity for people to comment on the FY 2009 Action Plan Funding Recommendations

David Shaffer, YMCA

The \$14,000 per partner that has been allocated is less than the \$20,000 per partner that we expected. We were asked to submit the application as a collaborative, and thought that we would get what we needed. The mistakes that were made in the past were simple mathematic mistakes, and when you have 5 agencies working together, there will be an occasional paper mistake. The public clearly is in support of youth funding and the value that it brings to the City.

Jessica Penterdast

Has worked with children for 16 years. The cuts to funding has a tremendous potential to do damage in the community. It is important to provide children stability. With this decision, steps are going to be taken backwards.

Lauren Palkingham

Has enjoyed being in the youth friendly environment that has been created. Has learned a lot about respect and life. The after school program at Grant provides incredible opportunities.

Deborah Edwards, YMCA

After school programs play a big role in children's lives. Give our youth the opportunity to succeed and break the cycle.

Jim Perrault, Boys & Girls Club

This reduction will have a negative impact on the City. Reductions will have ripple effect in the community.

Michelle Hobbes, Boys and Girls Club

There are many programs are offered by youth funded organizations. The Boys and Girls club is important to the youth and community. It is the most important part of my life.

Charman Campossa, YWCA Girl Power

My life would be really sad without these programs. I really enjoy participating in YWCA Girl Power.

Ashley Hennes

There are many families that are in transition are in need. These places are very important to many people. This is a place of stability for many kids.

Jacob Wagner, NHS

Fit City Duluth is glad to be on the list to receive funding for planning. It is in the community's best interest to promote safety and environmental solutions for 6th Avenue East.

Peter Williamson

Mentoring youth in the community is very important. The positive effect of mentoring has a multiplier effect in Duluth. It adds to the values and resources in Duluth.

4. Approval of Meeting Summary for October 28, 2008

Motion by Wallschlaeger, seconded by Bobula, to approve the minutes of the October 27, 2009, meeting. Motion unanimously approved.

5. Finalize FY 2010 Action Plan and Funding Recommendations for Transmittal to City Council

Hamre reviewed funding process, explaining that funding for Public Services is capped

at 15% of CBDG allocations. This is unfortunate because the comments from the public reflect the highly needed services for the community. Hamre continued by stating the goal of tonight's meeting is to hear public comment and finalize the 2010 Action Plan and funding recommendations.

Recess called at 6:38. Meeting returned at 6:47

Wallschlaeger stated that making funding recommendation is not easy; cutting funding from any of these important programs is difficult. Kimbler stated that it is a tough decision to reduce funding in any area, but the feedback from the community clearly shows the value of the youth collaborative.

Motion by Wallschlaeger, seconded by Kimbler, to take \$6,787 from 10-PS-10 (Jump Start Vehicle Loan Program) to replace the anticipated reduction in CBDG funding. Also, take the remaining \$13,213 that was initially allocated to 10-PS-10 and move it to 10-PS-09 (Youth Development Collaborative), leaving a \$0 balance in 10-PS-10. Motion passed unanimously.

Wallschlager discussed how to make the remaining \$41,793 in cuts anticipated. Wallschlager asked about the additional funding received by projects 10-HS-03 (Duluth Weatherization) and 10-HS-04 (Duluth Energy Efficiency Program) through the stimulus funding. Westerman asked if a reduction in funding from the City will significantly impact the ability of projects 10-HS-03 and 10-HS-04 to complete their mission.

Hamre stated that there are three potential ways to meet the anticipated cuts: 1) reduction or elimination of planning projects, 2) reduction or elimination of housing projects, and 3) use of deferred funds. Hamre went on to state that the City has a fund that has a modest balance that is intended for economic development. The City could use some of that funds as a deferred loan for project funding instead of an outright grant.

Wallschlager asked what makes the most sense for the City and for funding applicants. Westerman asked that the deferred loan process be explained again. Hamre stated the City could use a mix of deferred loan or grants for funding projects allowing us to close the anticipated funding gap. Wallschlager suggested that the City could fund 10-ED-04 (Growing Neighborhood Business) back up to their initially requested \$80,000, but use approximately \$41,000 in deferred loans and \$39,000 in CBDG grants. Hamre stated that using deferred loans could have an added benefit for the city, allowing us to use benchmarks for funding recipients to encourage them to perform and receive additional funding.

Bobula asked if the committee wanted to look at reducing funding planning projects instead of deferred loans. Wallschlager stated that he was hoping for more information from the planning grant applicants. Tyler stated maybe we need to tighten our belts and not every grant applicant will get the funding they wish and that maybe this isn't the right time to take on new projects. Westerman commented that she hated to deplete the

economic development funds at this point when there are other potential strategies. Hamre stated that new projects typically have a high failure rate. Kimbler commented that he liked the idea of using deferred loans with benchmarks as opposed to making additional cuts in funding requests.

Motion by Wallschlaeger, seconded by Kimbler, to reduce \$41,793 in CDBG grant funding from 10-ED-04, and to transfer funds for deferred loans from the Economic Development Fund, for \$80,000 in total funding for the project. Motion passed unanimously.

Hamre asked the committee to provide guidance in the event that anticipated funds actually come in higher than anticipated. Olesen stated that in the past the City has returned funding to those projects that were cut first, and then to any remaining amount was spread across all applicants.

Motion by Wallschlaeger, seconded by Westerman, to direct any additional funds to 10-PS-10 first, then any remaining funds after that to be distributed evenly across the board. Motion passed unanimously.

Hamre informed the committee and citizens present that they are welcome to attend the City Council meeting on December 21 to share any public comments prior to the City Council reviewing the funding recommendations.

Motion by Wallschlaeger, seconded by Kimbler, to adjourn.

Meeting was adjourned at 7:26.

RS