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## DDA ACTION SUMMARY SHEET

**MEETING DATE:** August 20, 2024

**TOPIC** Budget Policy Resolution

**BACKGROUND BRIEF:**

The 24-25 Budget process revealed several questions as to what is the statutory process for the DDA to create and adopt a budget. Our organization needs to do better and needs to be very closely aligned with the direction provided by Act 57. It is the goal of this action item to get this right moving forward.

During the course of the procedural effort between the DDA Board and the Village Council, it was suggested by the Village Manager that we seek legal opinion and assistance so this Board could implement a strong, statutory compliant policy regarding two areas of significance as we move forward through the Lumber Yard project and the allocation of capital for Village directed public infrastructure:

1. What is the proper and permanent procedure to be followed in preparing and adopting a DDA Budget.
2. What is the statutory option for the Village regarding the inclusion of an administrative fee in the DDA budget.

This office took that advice and has been working closely with legal counsel who has offered a draft opinion on these important issues. It is made clear that the basic elements in answer to these questions.

1. What is the proper and permanent procedure to be followed in preparing and adopting a DDA Budget.
  - a. Answer: The law prescribes that a budget is derived in a process that consists of
    - i. The Executive Director prepares a budget
    - ii. The budget is presented to the DDA board who, after public comment and deliberation, approves it in consensus.
    - iii. The proposed DDA budget is referred to the Village Council where it can do one of three things: adopt it as presented, reject it and send it back, or adopt it with the addition of a fee covering the Village cost for administration of the TIF.
    - iv. If adopted, with or without an admin fee, it goes back to the DDA Board for adoption.
    - v. If rejected, it goes back through the process.

2. What is the statutory option for the Village regarding the inclusion of an administrative fee in the DDA budget.
  - a. Answer: the village is entitled to a fee covering the administrative acts it incurs by processing and administering the TIF funds.

So, what is this Board being asked? If the Board is inclined to create and populate a Budget Task Force, refer this to that body for further examination with legal counsel, directing that the matter be brought back for possible adoption of policy at the September meeting.

**RECOMMENDED MOTION:**

Motion to refer the Letter Opinion from Robert Davis, dated August 6, 2024, to the Budget Task Force, directing the Task Force to assess the issues of budget procedure, an administrative fee, and the impact of charged services and report the results in a policy recommendation to the Board not later than September 2024.