

Board of Directors

Wednesday, April 19, 2017 - 8:30 am – 10:00 am

Sacramento Natural Foods Co-op Community Learning Center, 2820 R St, Sacramento, CA 95816

AGENDA

- I. **Call to Order (8:35 am)** Thomas
 - a. Establishment of Quorum (*13 of 25 members required*)
 - b. Introductions & Welcome New Board Members
 - i. Melissa Williams, Linda Brooks
 - c. Public Comment (*Limited to 3 minutes regarding items not on the agenda*)

- II. **President's Report (8:40 am)** Thomas
 - a. **DISCUSSION:** Action Taken by Executive Committee
 - b. **ACTION:** Adopt the Downtown Strategic Plan Ad Hoc Committee's recommendations
 - c. **ACTION:** Per the recommendation of the Executive Committee, accept the annual 3% assessment increase for 2018

- III. **Executive Director Report (8:50 am)** Baime Michaels
 - a. **DISCUSSION:** Quarterly Report & Board Priorities

- IV. **Police Department Update (8:55 am)**
 - a. **PRESENTATION:** Midtown Safety Update Lt Bassett

- V. **Special Presentations: (9:00 am)**
 - a. **PRESENTATION:** Alhambra Corridor Economic Development Plan Parker
ACTION: Adopt the Alhambra Corridor Economic Development Plan
 - b. **PRESENTATION:** 2017 Communications Plan and Central BID Adair
ACTION: Adopt the 2017 Communications Plan
 - c. **PRESENTATION:** Regional Transit New Strategic Vision Li

- VI. **ACTION: Consent Calendar (9:30 am)**
 - a. **ACTION:** Approve January 2017 Minutes

- VII. **Adjournment | Next Meetings**
 - a. Executive Committee –Friday, April 21st, 12 pm, Turton Commercial Office
 - b. Alhambra Committee – Thursday, July 6th, 9am, MA Office

Next BOD Meeting – Wednesday, July 26th, 2017, 8:30 - 10:00 am

MA Office, 1401 21st St Unit A, Sacramento, CA 95811



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Item II. Presidents Report:

A) DISCUSSION: Action Taken by Executive Committee

- a. **February:** At the February Executive Committee meeting, the EC discussed permanent board seats, approved the January Financial Report, adopted the Management District Plan for the Central Midtown Restaurant BID, discussed the lot at 28J, discussed the office relocation and approved January minutes and updated Financial Procedures (attached).
- b. **March:** At the March Executive Committee meeting, the EC approved the February Financial Report, discussed the Central Midtown Restaurant BID, moved the 3% annual PBID increase forward for approval by the Board in April, updated the Legislative Advocacy Procedures (attached), moved the Downtown Strategic Plan Ad Hoc Committee's recommendations forward for approval by the Board in April, adopted the City of Sacramento's Housing Voucher Program, discussed the office relocation, approved the February minutes, authorized a contract with RT for supplemental cleaning and with PRQ Townhomes HOA for PBID services. In closed session, the EC also discussed the contract with the landlord at 919 20th street.

B) ACTION: Per the Executive Committee, adopt the Downtown Strategic Plan Ad Hoc Committee's recommendations.

- a. The Specific Ad Hoc Committee met with the Project Manager from the City of Sacramento for the Downtown Specific Plan. The discussion was focused on the key initiatives being used to form the Environmental Impact Report for the project. What we heard as important items for the ad hoc committee in regards to the key initiatives include:
 - Focusing on discouraging vacant buildings (commercial).
 - Enforcing stand-alone surface parking lots, but not prohibiting central city-wide (focus on prohibiting stand-alone parking lots along commercial corridors instead.)
 - Study how amenities, like limited schools and lack of personal space, impact a person's choice to live downtown.
 - Look at wayfinding, specifically geared towards enhancing coordination with parking garages throughout the central city.
 - A balanced approach to sidewalk use for entertainment and pedestrian activity.
 - Activate park space with public art and monuments.

The crucial point of this project is mid-April when the city take the draft key initiatives and finalize them in the form of an EIR. The EIR will be drafted through summer and finished by November of this year. In an increasingly difficult development environment the Midtown Association looks to support policies and opportunities that lessen the burden on developers, including any regulations identified in the Specific Plan that streamline and reduce barriers to building in the central city.

C) ACTION: Per the recommendation of the Executive Committee, accept the annual 3% assessment increase for 2018.

- a. The Board will adopt an annual budget based on the four year strategic plan at the Annual Fall Meeting that will apply this 3% increase.
- b. The Downtown Sacramento Partnership is applying this same standard annual increase this year as are many other PBIDs. The 3% increase is less than the 2017 3.4% CPI.
- c. The Midtown Association has applied this standard increase each year of the PBID with the exception of one year.
- d. This adjustment must be applied no later than the April Board Meeting to move forward to the City for their approval and then to the County for fall collections.
- e. Stakeholders are notified of this change via our communications including Annual Report, annual meeting and email newsletter.

Item III. Executive Director Report:

Quarterly Dashboard report at meeting.

March Financial Report: This report covers the statement of activities, budget versus actual for 2017. This includes the PBID Corporation dba MBA, CMRBID and SBIA. **The budget projects income/expenditures at 25%; income is 20% and expense is 22%.**

	YTD, Budget vs Actual		
	March 2017 – 25% of budget		
Income	YTD Actual	2017 Budget	
Membership	\$ 1,875.00	\$ 6,000.00	31%
Admin Fees	\$ 9,531.00	\$ 84,387.00	11%
Events	\$ 19,000.00	\$ 80,000.00	24%
Contracts	\$ 326,802.00	\$ 1,642,836.00	20%
Grants/Interest	\$ 71.00	\$ 2,500.00	0%
Misc	\$ 0.00	\$ -	
Total Income	<u>\$ 357,279.00</u>	<u>\$ 1,815,723.00</u>	20%
Expense			
BID Programs	<u>\$ 46,160.00</u>	<u>\$ 214,801.00</u>	<u>21%</u>
PBID Programs			
Cat 1: Main, Safety & Street			
Midtown	\$ 120,590.00	\$ 533,203.00	23%
Alhambra	\$ 20,892.00	\$ 112,074.00	19%
Cat 1: Main, Safety & Street	<u>\$ 141,482.00</u>	<u>\$ 645,277.00</u>	<u>22%</u>
Cat 2: Placemaking & Cap Imp			
Midtown	\$ 25,811.00	\$ 109,403.00	24%
Alhambra	\$ 5,195.00	\$ 48,350.00	11%
Cat 2: Placemaking & Cap Imp	<u>\$ 31,006.00</u>	<u>\$ 157,776.00</u>	<u>20%</u>
Cat 3: Advocacy, Comm & Admin	<u>\$ 135,651.00</u>	<u>\$ 585,624.00</u>	<u>22%</u>
Total Expense	<u>\$ 354,297.00</u>	<u>\$ 1,601,717.00</u>	22%
Net Income	\$ 2,983.00	\$ 215,910.00	

Detail: Admin fees appear behind budget due income from the Central Midtown Restaurant District not expected to be earned until collections begin in July. Contract income is behind schedule due to PBID spending normally being at a lower rate in the first quarter of the year. BID Programs: Expenses will likely appear ahead of budget due to startup costs for the CMRBID. Cat 1: Maintenance Safety and Streetscape Expenses are on track. Cat 2: Placemaking & Capital Improvements Expenses are on track. Cat 3: Advocacy, Communications & Administration are on track.

Audit: The 2016 Audit is scheduled for presentation at the July Board Meeting.

Statement of Financial Position: The organization has 774k in cash/cash equivalents (617k PBID and 157k SBIA). Accounts payable are at 38k (note 15k is estimated payments due to the City of Sacramento for Police Patrol due to delayed invoicing). Accounts receivable are at 29k. Operating costs average 118k per month in 2017. Cash is in place for 6 months of operations when historically it has been in place for 3 months (April 17-September 17). We will receive our next disbursement in late summer. Under fixed assets, appliances for the new office were purchased.

Item IV. Police Department Update

Item V. Special Presentations

- a. **PRESENTATION:** Alhambra Corridor Economic Development Plan
ACTION: Adopt the Alhambra Corridor Economic Development Plan
- b. **PRESENTATION:** 2017 Communications Plan and Central Midtown Restaurant BID
ACTION: Adopt the 2017 Communications Plan
- c. **PRESENTATION:** Regional Transit New Strategic Vision

Item VI. ACTION: Consent Calendar

- a. **ACTION:** Approve January 2017 Minutes

MA FINANCIAL PROCEDURES

Overview

The Midtown PBID Corporation dba Midtown [Business Association \(MA\)](#) [and dba Midtown Business Association \(MA\)](#) is a not-for profit 501c(6) organization, which operates on a Calendar Year budget and utilizes accrual-based accounting in line with Generally Accepted Accounting Principles (GAAP). MA's monthly financial statements are prepared by an External Bookkeeping Firm. MA's annual tax and audit documents are prepared by an External CPA.

Revenue: Revenue is generated through the PBID assessments, BID assessments, membership dues, fee for service, and earned revenue generated at events and cooperative programming.

Expense: The expense budget is broken into two categories: operating expenses and programming expenses. Programming expenses should follow requirements outlined in by-laws, contracts and PBID Management Plan.

Roles and Responsibilities

The City of Sacramento is responsible for providing revenue projections for assessment districts in the early Fall each year. PBID funds are disbursed in February and April with delinquencies paid in September.

The Board is responsible for approving the annual budget and work plan in the fourth quarter of each year. The Executive Committee is responsible for regular review of financials, ensuring the completion of an annual audit, and oversight of the Executive Director. The officers of the board have specific roles; the President is responsible for signature on the annual audit contract, the President and Treasurer are responsible for providing a first signature on all outgoing checks, the Treasurer is responsible for reviewing the Executive Director's expenses, and are listed on the company bank accounts, and the CFO is responsible for compliance with the PBID Management Plan.

The Executive Director is responsible for the creation of the annual budget and work plan, for approval of all transactions, for the second signature on all outgoing checks, for the first signature on all contracts with the exception of the annual audit, and compliance with contracts and PBID Management Plan.

The Bookkeeper is responsible for processing all transactions in QuickBooks including invoice creation and distribution, inputting payroll, reviewing cash flow and generating monthly reports for the Executive Director including:

- Statement of Activities, YTD Budget vs Actual
- Statement of Financial Position / PTO Accrual Report
- Statement of Activities by Class (PBID Compliance Report)
- Monthly Transaction Detail
- Transfer requests



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Program transactions as requested

- Accounts Receivable / Accounts Payable
- Time by Program Summary (PBID Compliance Report)
- Quarterly Cash Flow Report
- Membership Report

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The Staff is responsible for completing timesheets with supervisor approval to allocate their time to programs, ensuring signed agreements are on file, fulfilling contract obligations, managing their program budgets to perform on or ahead of budget, coding all transactions within that budget for the bookkeeper, and reviewing monthly reports to confirm accuracy.

MA Procedures for Day-to-Day Operations - How we spend money

1. The authority to sign, fulfill, pay for and if needed terminate a contract is given to the Executive Director by the Executive Committee for amounts \$5,000 and over. The authority to spend funds that do not require a contract within the spirit of achieving the work plan, or funds that do require a contract for \$4,499 or less is given the Executive Director by the Board with the approval of the annual budget.
2. Contracts for the MA to deliver services or receive services from an independent contractor will use the board approved contract template.
3. Any PBID funds used for specific projects which require an independent contractor or consultant over \$5,000 will be put out to bid. Whenever possible, three bids will be required and the bidding period will be a minimum of 10 working days. Bids are issued using the RFP template.
4. The Executive Director will grant spending authority to staff at the following levels without the need to seek written approval from the Executive Director. Directors may spend up to \$2,499. Managers may spend up to \$1,000, Coordinators may spend up to \$300. These expenditures may only be on a transaction to fulfill their approved work plan and budget and require the Executive Director's approval of contracts or agreements prior to spending. Receipts are required for each transaction to ensure a clean audit.

5. Capital purchases over \$1,500 will be depreciated.

Cash is utilized on rare occasion for purchases. Up to \$200 of petty cash may be kept on hand in the office for regular use. Staff must submit a petty cash request form to the Petty Cash Manager. The expense is then logged by the Petty Cash Manager. Post purchase, the employee must submit any change with the original receipt. Documentation for the Petty Cash account is provided by Petty Cash Manager to Bookkeeper for monthly reconciliation.

Credit Cards are distributed only to select employees who are not involved in the daily management of Petty Cash, opening the mail and/or check deposit. Staff must



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submit coded receipts with their monthly credit card statement to the Administrative Coordinator who enters them into QuickBooks for review by the Bookkeeper.

The Executive Director's credit card statement must be reviewed and signed by the Treasurer. Additional review procedures may be employed based on purchase. For example, gas purchase will be accompanied by mileage log.

Checks are run on a bi-weekly basis by the Bookkeeper. As invoices are received, they are entered into QuickBooks by the Administrative Coordinator and then distributed to staff for approval and coding in their folders. After coding, the Administrative Coordinator enters the coding into QuickBooks and ensures they are signed by the Executive Director. Upon approval, the Bookkeeper prints the checks for signature by first the President or Treasurer, then the Executive Director. Copies of all checks are filed by the Bookkeeper.

Reimbursements for out of pocket expenses incurred by employees doing business on behalf of MA are eligible on the next reasonable check run. This includes items such as parking, mileage and program purchases. Mileage is paid at the current rate determined by the IRS. Employees must submit receipts along with the standardized reimbursement log. Date, function and mileage should be notated on the log for processing. All staff reimbursements must be approved by the Executive Director. Reimbursements submitted by the Executive Director must be approved by the President or Treasurer.

MA Procedures for Day-to-Day Operations – How we process payroll

Staff shall submit timesheets to their supervisor/Administrative Coordinator the Monday following the pay period. The Administrative Coordinator shall confirm the hour allocation, transfer the hour allocation to the coversheet, and request signatures from the applicable supervisors to approve. The Executive Director will sign the coversheet and then the Administrative Coordinator will email this to PayChex. PayChex shall send the Executive Director the payroll to approve and process.

MA Procedures for Day-to-Day Operations - How we take in money

Cash payments made to the MA are received by the Petty Cash Manager. The Petty Cash Manager is responsible for processing the payment and providing proper documentation to the Bookkeeper.

Credit Card payments are processed online via Brown Paper Tickets or in person via Square by the Petty Cash Manager or Staff. The Bookkeeper reconciles receipts and posts payments accordingly.



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Checks are the most common form of payment and received by the Petty Cash Manager. Upon receipt, the receiver stamps the back of the check with 'for deposit only...MA account information' and photocopies it. The checks are then deposited weekly by the Petty Cash Manager.

Invoices are generated to request payment for all transactions with the exception of transactions that occur via Brown Paper Tickets and Square. They are requested by staff, then generated by the Bookkeeper and emailed to the client for payment. Invoices over 30 days are then mailed to the client.

MA Procedures for Day-to-Day Operations - Bank Accounts

Online Access: The Executive Director shall act as online administrator for MA bank accounts. In this role the Executive Director may transfer funds between checking and savings, and will designate viewing privileges to the Bookkeeper, the President, and the Treasurer for monitoring purposes. The President and the Treasurer shall be noted on the account as authorized signers in addition to the Executive Director. [Online access to individual credit cards is allowed for each employee who is the credit card holder and their supervisor.](#)

Check Authorization: MA currently maintains three bank accounts. The PBID Corp Checking Account (Wells Fargo): This account processes all of this organization's accounts payables and receivables. The PBID Corp Savings Account (Wells Fargo) for reserve funds. The SBIA Checking Account (Wells Fargo) to hold all income and expense funds for SBIA. Check signers include the Board President, Treasurer, and Executive Director.

Line of Credit: MA shall maintain a line of credit with Wells Fargo equal to no less than two payrolls. The opening line will be \$40,000 which secures nearly three payrolls or unexpected legal/capital improvement fees. The Executive Director shall be the only authorized user of the line of credit but may not access the line of credit without formal authorization. Authorization comes by motion of the Executive Committee. In the rare case of an emergency in which the line of credit must be accessed prior to the next available Executive Committee, the President and Treasurer may jointly authorize the Executive Director to authorize the line of credit.

Reserve Policy: MA shall maintain a reserve in compliance with the PBID Management Plan of 0-25% of PBID budget year over year, not compounding. The



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purpose of these funds are to prepare for unexpected expenses each year and renewal. Beginning in 2017, MA shall create three reserve accounts.

Account 1: MA shall set aside an amount each year of no more than 20% of the PBID budget that will equal approximately \$250,000 by year ten of the PBID term. The purpose of this reserve is to prepare for renewal and unexpected expenses. These funds can only be used per the PBID Management Plan and will be placed into a "Reserve" saving account.

Account 2: MA shall maintain a balance in its "Operating" savings account of approximately three months operations expenses that shall be cycled into operations the first quarter of every year to maintain cash flow against the City's disbursement schedule.

Account 3: MA shall create a "capital improvement" savings account in which non PBID funds will be placed to invest in capital items for the MA such as a building purchase.



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MIDTOWN ASSOCIATION LEGISLATIVE ADVOCACY PROCEDURE & COMMUNICATIONS

Overview: The Midtown Association (MA) is called upon to take a position on state, county and local legislation, policy initiatives, and project applications. The board of the Midtown Association desires to adopt a policy that would enable the Executive Director to participate in the drafting, endorsing and/or opposing of legislation, policy initiatives, and/or project applications within the following parameters.

The organization nor the Executive Director may not endorse candidates for any elected office. However, the organization may elect to offer all candidates for a specific office the opportunity to share their position and thoughts on issues that impact Midtown at either public forums or Board Meetings.

The Executive Director will prepare a report to the [Executive Committee or](#) Board before taking a position on legislation and/or policy initiatives that is knowingly in opposition to the position taken by an elected official, another central city PBID, or by the professional associations that govern the PBID industry. If the MA's position must be stated prior to the date of the next Board or Executive Committee Meeting, the MA authorizes the Board Chairperson to determine the MA's position.

The Executive Director is authorized to speak on behalf of the organization [in media interviews, via letters of support and public testimony](#) to encourage the development of the following items:

- 1) Business friendly, non-burdensome regulation by public agencies such as ABC, Health Department and others, with the understanding:
 - (a) it is the responsibility of the business or property owner to operate responsibly to the benefit of the entire district, including maintaining reasonable relationships and communication with residents, and
 - (b) it is to the benefit of the MA to maintain strong working relationships with the heads of these departments and elected officials,
 - (c) if the perceived business interest varies from the policy direction of an elected official, it is the responsibility of the Executive Director to seek board direction before taking a formal position.
- 2) Planning efforts and infrastructure enhancements that:
 - (a) Expand options for alternative transportation methods with the understanding that if customers and residents cannot get into or around Midtown, Midtown cannot thrive.



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- (b) Make Midtown more attractive for investment by eliminating development barriers and making Midtown competitive with other thriving areas of the City and County.
- (c) Recruit and retain high performing businesses, retailers and employers.

3) Responsible urban infill projects that take into consideration:

- (a) the architecture of the surrounding neighborhood and attempt to compliment these buildings, but not mimic them, with the understanding that contemporary design may not always match historic infrastructure, and that does not deter the MA from supporting innovative design,
- (b) the impact of additional traffic with design that promotes multi-modal transportation,
- (c) the need for desirable market rate housing,
- (d) innovative use of space and cutting edge design,
- (e) the need to attract anchor retail tenants and to generate additional employment,
- (f) the need to create amenities for new tenants, employees/employers, and residents that enhance Midtown rather than just placing a burden on current amenities (with the exclusion of parking), ~~and~~
- (g) environmental design that discourages sleeping in alcoves, restricts access to dumpsters and encourages only productive loitering-, and
- (h) community outreach and communication with key stakeholders including property owners, public officials, nearby residents, and neighborhood associations play an important role in the outcome of successful projects.

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4) Safety, security and marketing initiatives that:

- (a) Enhance lighting,
- (b) Reduce nonproductive loitering and address the causes of high levels of homeless in Midtown,
- (c) Eliminate graffiti, trash and blight, and
- (d) Attract responsible visitors and patrons to Midtown,

The MA weighs supporting legislative positions, policy initiatives, and project applications includes considering community outreach and communication with key stakeholders including property owners, public officials, nearby residents, and neighborhood associations as an important part of the advocacy platform.

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MIDTOWN ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
January 19, 2017, 8:30 am – 10:00 am
Mulvaney's B&L, 1215 19th St, Sacramento, CA 95811

January 19, 2017

Board Members Present: Saunders (CADA), Watson (Banks & Watson), Turton (Turton Commercial), Hassett (WEAVE), Hodgson (The Hodgson Company), Bazett (The Golden Bear), Testa (Visit Sacramento), Bellah (CA State Parks), Miry (D&S Developments), Uribe (DGS), Yee-Garcia (Kings), Hansen (City of Sacramento), Hernandez (Alternate for Hansen, City of Sacramento), Rasmussen (Ravel Rasmussen), Mikacich (Limelight), Sales (VSP – The Shop), and Nava (Alternate for Serna, County of Sacramento)

Board Members Absent: Thomas (Sutter Health), Paragary (PRG), Heller (Heller Pacific), Li (RT), Brooks (Sacramento Bee), Murray (Union Pacific Railroad), Nutting (DBA Arts), Pappas (Pappas Investments), and Williams (Tank House/Jungle Bird)

The meeting was called to order at 8:46 AM
Quorum established at 8:46 AM

I. Public Comment- N/A

II. President's Report

- a) DISCUSSION: Action Taken by Executive Committee
- b) DISCUSSION: Introduction of New Board Members

III. Executive Director Report

- a) DISCUSSION: Meeting Overview & Quarterly Report
 - 2017 Overview & District Dashboard
 - Reintroduction of Staff & Roles
 - Key Priorities from Strategic Plan

IV. Special Presentations

- a) PRESENTATION: Streetcar (15 min + Q&A)
Action Taken: Support the Sacramento Streetcar Project and continue to provide outreach to property owners impacted by the project.
Moved by Bazett/ Seconded by Sales/ Unanimous Vote – Motion Carries



V. Consent Calendar

- a) **Action Taken:** Approve November 2016 Minutes.
Moved by Bazett/ Seconded by Sales/ Unanimous Vote – Motion Carries.

VI. Meeting Adjourned – 9:33 AM | Next Meetings

- a) Executive Committee – Friday, February 10th, 12 PM, MA Office
- b) Alhambra Committee – Thursday, April 6th, 9 AM, MA Office

Next BOD Meeting – Wednesday, April 19th, 2017, 8:30 - 10:00 am
Sacramento Natural Foods Co-Op Learning Center, 2820 R St, Sacramento, CA 95816

*Respectfully submitted,
Darling Sawyer*

