

Executive Committee Meeting  
Friday, October 6<sup>th</sup>, 2017  
Midtown Association Office, 1401 21<sup>st</sup> St Unit A, Sacramento, CA 95811 12:00-1:30pm

**AGENDA**

- I. Public Comment: Public Comment is limited to 3 minutes on items not on the agenda.
  
- II. **Board Development (12:05 pm)**
  - a) **Discussion:** Board Updates **Thomas**
  
- III. **Budget / Reports (12:10 pm)**
  - a) **Action:** Approve September Financial Report **Baime Michaels**
  - b) **Action:** Recommend the adoption of the 2018 Budget by the Board of Directors at the Annual Meeting **Baime Michaels**
  - c) **Discussion:** Midtown Central branding process **Baime Michaels**
  
- IV. **Policy (12:30 pm)**
  - a) **Action:** Adopt position on Downtown Specific Plan **Parker**
  
- V. **Strategic Plan (1:00 pm)**
  - a) **Discussion:** General Updates - None **Baime Michaels**
  
- VI. **Action: Consent Calendar (1:15 pm)**
  - a) **Action:** Approve September 2017 Executive Committee Minutes **Thomas**

*Adjournment - Next Meeting: Thursday, November 9<sup>th</sup>, 2017 - 11:00am – 12:30pm*



**Item II. Board Development:**

A) **DISCUSSION:** Board Updates – Preparation for Annual Meeting

At the Annual Meeting, each EC member who is in attendance is invited to provide a brief overview of the roles and requirements of Board Members. The ED will be in touch with each member individually to confirm the area they will cover and provide any supporting documents requested.

Keri Thomas, President	Unified Voice & Working with Employees
Wendy Saunders, Vice President	Ad Hoc Committee Process
Larry Watson, Secretary	Absent
Ken Turton, Treasurer	Fiscal Governance
Beth Hassett, Past President	Conflict of Interest
Randy Paragary, CFO	Absent
Mike Testa	Code of Conduct
John Hodgson	Legislative Advocacy Procedure
Kimio Bazett	Purpose of Strategic Plan

**Item III. Budget / Reports:**

- A) **ACTION:** September Financial Report: This report covers the statement of activities, budget vs actual, including the PBID Corporation, CMRBID and SBIA. **The budget projects income/expenditures at 75%; income is 62% and expense is 69%.**

	YTD, Budget vs Actual		
	September 2017 – 75% of budget		
Income	YTD Actual	2017 Budget	
Membership	\$ 4,125.00	\$ 3,500.00	118%
Admin Fees	\$ 42,443.00	\$ 84,378.00	50%
Events	\$ 86,899.00	\$ 85,000.00	102%
Contracts	\$ 990,057.00	\$1,642,836.00	60%
Grants/Interest	\$ 310.00	\$ 2,500.00	1%
Misc	\$ 0.00	\$ -	
<b>Total Income</b>	<b>\$1,120,835.00</b>	<b>\$1,818,223.00</b>	<b>62%</b>
<b>Expense</b>			
BID Programs	<u>\$ 122,595.00</u>	<u>\$ 214,801.00</u>	<u>57%</u>
PBID Programs			
Cat 1: Main, Safety & Street			
Midtown	\$ 319,955.00	\$ 533,203.00	73%
Alhambra	\$ 76,321.00	\$ 124,000.00	61%
Cat 1: Main, Safety & Street	<u>\$ 396,276.00</u>	<u>\$ 657,203.00</u>	<u>71%</u>
Cat 2: Placemaking & Cap Imp			
Midtown	\$ 70,654.00	\$ 119,403.00	59%
Alhambra	\$ 12,895.00	\$ 48,350.00	27%
Cat 2: Placemaking & Cap Imp	<u>\$ 83,549.00</u>	<u>\$ 167,753.00</u>	<u>50%</u>
Cat 3: Advocacy, Comm & Admin	<u>\$ 395,764.00</u>	<u>\$ 575,324.00</u>	<u>69%</u>
<b>Total Expense</b>	<b>\$ 998,184.00</b>	<b>\$ 1,615,125.00</b>	
<b>Net Income</b>	<b>\$ 125,648.00</b>	<b>\$ 203,089.00</b>	

*Detail:* Membership appears to exceed budget however this includes renewals that have been invoiced but are yet unpaid. Admin fees appear behind budget. SBIA is at 101%, Midtown Central is at 77%, PBID is at 57%/51% for Midtown and Alhambra. Grants will not achieve budget as the Operations Department failed to submit a standard grant. Events income has met budget due to staff's work fundraising for the Gala and the Farmers Market. Expense detail is on track.

*Statement of Financial Position:* The organization has 757k in cash/cash equivalents (598k PBID and 159k SBIA). Accounts payable are at 34k (standard monthly average is 30k or less but now include admin fees due from Midtown Central to Midtown Association). Accounts receivable are at 139k (standard monthly average has been 30k or less however we are now booking estimated receivables for BID contracts to offset the expenses we are incurring). Operating costs average 111k per month in 2017. Cash is in place for 6.8 months of operations (Oct 17-March 18).

B) **ACTION:** Recommend the adoption of the 2018 Budget by the Board of Directors at the Annual Meeting

The responsibility of the EC is to ensure compliance with Prop 218, the PBID management plan, the financial policies, and the priorities of the Board as expressed in the 2016-2020 Strategic Plan. Below is a response to these requirements.

✓ Prop 218 Compliance: The MA is required to generate non PBID funds for the organization that are then used in service to the PBID. These funds cover the cost of the general benefits received by non PBID payers as opposed to the specific benefits received by the PBID payers. The amount set by Civitas to meet this general benefit is 1M over the 10 year term of the PBID. Staff has operationalized this requirement to equal 100k per year. **In the 2018 budget, 107k in non PBID funds will be generated to meet this requirement.**

- BID Contract Administrative Fees: 59k
  - Midtown Central BID: The BID will generate 168k in BID assessments.
  - Sutter BID: The BID will generate 120k in BID assessments.
- Event Revenue: 33k
  - Midtown Farmers Market: The Midtown Farmers Market will generate 35k in revenue. Approximately 13k will be retained by MA in proceeds.
  - Midtown Love: The Midtown Love Gala will generate 37k in revenue. Approximately 20k will be retained by MA in proceeds.
- Other Revenue: 15k
  - Membership: The Membership Program will generate \$2,500.
  - Grants: The Cigarette Litter Grant will generate \$2,500.
  - Program Sponsorship: The Placemaking Program will generate \$10,000 in sponsorship.

✓ PBID Management Plan Compliance: Compliance with the PBID Management Plan is illustrated by ensuring the percentage of PBID income spent within a program area deviates no more than 20% from the percentage outlined within the Plan. **All categories are within compliance.**

PBID Category	Management Plan	Budget Forecast
Category 1: Midtown (Clean & Safe)	55%	52%
Category 1: Alhambra (Clean & Safe)	45%	41%
Category 2: Midtown (Placemaking)	15%	15%
Category 2: Alhambra (Placemaking)	24%	19%
Category 3: PBID (Adv, Comm, Admin)	25%	27%
Category 4: PBID (Reserve)	5%	3%

- ✓ Financial Policies: Compliance with the financial policies is illustrated by the RFP process, contract process and reserve accounts. **All areas are within compliance.**
- RFP: The following new services will likely exceed 5k and will need an RFP to be issued to select a service provider. Once a provider is selected, the EC will approve the contracts.
    - Bollard Installation: Heller Pacific and the Midtown Central District have requested the installation of traffic closure bollards at 20/J and 20/K. Contracts will be issued for engineering, construction and permits.
    - Tree Lighting: The Central and Sutter BIDs will install ambient lights on trees. Contracts will be issued for installation and electrical work.
    - Janitorial: Due to the larger facility, a new janitorial company will be selected.
  - Contracts: All contracts that exceed 5k will need to be authorized by the EC for the ED to sign, execute and if needed, terminate. These are all continuations of existing contracts.
    - PRIDE: PRIDE provides contract maintenance services.
    - City of Sacramento: Sac PD provides off duty officer services.
    - Sacramento Steps Forward: SSF provides homeless navigation services.
    - T-Rock Communications: T-Rock provides media relations for PBID, Farmers Market and Sutter BID.
    - Social Media: UnSeen Heroes provides social media management for Explore Midtown and Sutter BID.
    - Event Services: UnSeen Heroes provides event services for Midtown Love and the Midtown Farmers Market.
    - Accounting: Whisler Bookkeeping provides the bookkeeping services outlined in the financial policies. Grant Bennett provides audit and tax prep services.
  - Reserve Accounts: The financial policies identify the following accounts.
    - Account 1 PBID Reserve: Up to 20% per year of PBID funds to prepare for renewal and unexpected expenses. In March 2018, the first transfer to this account will be made from excess funds from 2017. This account has not yet been created.
    - Account 2 PBID Operating Reserve: Up to three months of operational funds to be cycled into use during the first quarter of each year. This account is also known as the PBID Corp Savings Account and maintains an average balance near 400K which meets this requirement. This balance does dwindle below the average between disbursements and during the first quarter of each year.
    - Account 3 Capital Improvement: Non PBID funds shall be set aside to invest in MA capital items. This account has not yet been created.

The Executive Director interviews approximately half the Board of Directors each year to test the priorities of the Strategic Plan against their needs. Additionally, the next tasks outlined in the strategic plan and in the PBID Management Plan are reviewed. As a result, the new following activities are included in the 2018 budget.

**i. PBID Category 1: Safety, Maintenance & Streetscape:**

1. Increase Safety
  - a. Safety Ambassador patrol increased by 50%
  - b. Day time off duty Police Patrol increased by 10%
2. Reduce Homelessness
  - a. Navigator outreach services increased by 20%
3. Maintenance
  - a. Increase Maintenance services by 29%
  - b. Increase scheduled pressure washes highest traffic sites

**ii. PBID Category 2: Placemaking & Capital Improvements:**

1. Attract Investment
  - a. Begin pre-construction efforts to improve Stockton Blvd
  - b. Continue to support the improvement of Winn Park
  - c. Attract high speed fiber to the District
2. Activate the District:
  - a. Add street closure bollards at 20<sup>th</sup> & K
  - b. Create a Midtown Tour program to attract visitors
  - c. Install murals on trash cans
  - d. Host Reuse Event at 24/K and throughout Midtown
  - e. Support free Wi-Fi and Hot Lunch series at Fremont Park
  - f. Partner with the PACK for Dog Park/19&Q improvements

**iii. Advocacy, Communications and Administration:**

1. Increase sales tax and property value/Increase media coverage
  - a. Communications Ad Hoc Committee: Overcome concern about parking with electronic campaign
  - b. Bring social media management for Explore Midtown in house
  - c. Deliver services to Central Midtown BID
  - d. Host an annual Midtown Love gala
2. Remain in compliance with Administrative requirements

Considering these compliance issues and the priorities of the Board, here is the recommended 2018 budget for approval.

Income	2018 Budget	2017 Budget	
Membership	\$ 2,400.00	\$ 3,500.00	-31%
Admin Fees	\$ 60,640.00	\$ 84,378.00	-28%
Events	\$ 83,050.00	\$ 85,000.00	-2%
Contracts	\$1,830,121.00	\$1,642,836.00	11%
Grants/Interest	\$ 2,500.00	\$ 2,500.00	0%
Misc	\$ 0.00	\$ 0.00	0%
<b>Total Income</b>	<b>\$ 1,978,711.00</b>	<b>\$1,818,214.00</b>	<b>9%</b>
<b>Expense</b>			
BID Programs	<u>\$ 240,690.00</u>	<u>\$ 214,801.00</u>	<u>-41%</u>
PBID Programs			
Cat 1: Main, Safety & Street			
Midtown	\$ 643,054.00	\$ 533,203.00	21%
Alhambra	\$ 156,230.00	\$ 124,000.00	26%
Cat 1: Main, Safety & Street	<u>\$ 799,284.00</u>	<u>\$ 657,203.00</u>	<u>22%</u>
Cat 2: Placemaking & Cap Imp			
Midtown	\$ 188,562.00	\$ 119,403.00	58%
Alhambra	\$ 72,716.00	\$ 48,350.00	50%
Cat 2: Placemaking & Cap Imp	<u>\$ 261,278.00</u>	<u>\$ 167,753.00</u>	<u>56%</u>
Cat 3: Advocacy, Comm & Admin	<u>\$ 580,358.00</u>	<u>\$ 575,324.00</u>	<u>1%</u>
<b>Total Expense</b>	<b>\$ 1,881,610.00</b>	<b>\$ 1,615,125.00</b>	<b>16%</b>
<b>Net Income</b>	<b>\$ 97,101.00</b>	<b>\$ 203,089.00</b>	

*Variance Detail (Income):* Membership is reduced to meet the actual for 2017. Admin fee income and BID Program expenses are reduced due to the Central District income being budgeted in 2017 at 300k per year and the actual district at formation generating 200k per year. Contract income is increased due to a full year of the Central District. Contract income is also increased due to the 3% increase in PBID fees and the use of PBID fees over 12 months in 2018 rather than 18 months over 2017.

*Variance Detail (Expense):* Category 1 includes increased Ambassador Patrol, day time off duty police patrol, navigation services, maintenance hours and scheduled pressure washes. Category 2 is increased significantly because Placemaking was significantly underfunded in 17 to provide cash flow to for year one expenses from Nov 1 16-March 1 18. Note that most of Alhambra's 17 budget will carry over to add to the budget for 18 to be spent on Pre Construction planning for Stockton Blvd. Category 3 has only slightly increased despite a 47% increase in facility fees related to the new office by reducing other administrative costs. Note that the expenses have increased overall by 16% due to using the 2018 disbursements within 12 months rather than using the 2017 disbursements over 18 months to fund expansion.

- C) **DISCUSSION:** Midtown Central branding process
  - a. The Board has taken action to formally name the District “Midtown Central”
  - b. Committee member Low Brau has expressed an interest in bringing a more creative name forward.
  - c. Staff recommends that the EC appoint one additional member (Kimio currently serves as chair of the MC Committee), to link between the EC and the MC committees to bring this discussion to a close. The proposed appointee is Beth Hassett.
  - d. 3 Fold will visit with Low Brau, hear their comments, guide the discussion at the November MC Committee and then the EC will hear and adopt the final recommendation at a future meeting.

#### **Item IV. Policy**

- A) **Adopt:** Adopt position on Downtown Specific Plan  
The Downtown Specific Plan is a project that is meant to increase the amount of housing units by 13,401 and provide over 7 million square feet of non-residential units. Discuss and adopt position on the Downtown Specific Plan developed by the recommendation from the Specific Plan Ad Hoc Committee meeting.

#### **Item V. Strategic Plan**

#### **Item VI. Consent Calendar**

- A) **ACTION:** Approve September 2017 Executive Committee Minutes



## Executive Committee Meeting Minutes

Friday, September 8th, 2017

Midtown Association, 1401 21<sup>st</sup> St, Unit A, Sacramento, CA 95811

**In attendance:** Saunders, Turton, Hassett, Paragary, Hodgson, Watson, Bazett, Baime Michaels, Parker, Adair, Gugino, Villa, Sawyer

**Absent:** Thomas, Testa

Meeting called to order: 12:06 PM

Quorum established: 12:06 PM

\*Denotes comment on agenda item

### AGENDA

I. **Public Comment:** N/A

### II. **Board Development**

- a) **Discussion:** Board Updates – Board Applications Received  
\*ED reviewed BOD election procedures. ED shared with the committee which board members with expired terms reapplied as well as all new applicants. ED brought forth the desire of the Nominating Committee to, in the future, have a brief interview process with each new applicant to get a more rounded understanding of what they could potentially contribute to the organization.

### III. **Budget / Reports**

- a) **Action Taken:** Approve August Financial Report  
**Moved by Hassett/ Seconded by Watson/ Unanimous Vote – Motion Carries**
- b) **Action Taken:** Approve Form 990  
**Moved by Hodgson/ Seconded by Hassett/ Unanimous Vote – Motion Carries**
- c) **Action Taken:** Approve Employee Handbook Updates  
**Moved by Hassett/ Seconded by Saunders/ Unanimous Vote – Motion Carries**
- d) **Discussion:** Alhambra Cleanup

### IV. **Policy**

- a) **Presentation:** CADA – City Housing Study  
\*Saunders shared that 6% of the individuals that took the survey both live and work in the central city. The survey showed that out of those that live outside of the central city, young professionals and empty nesters expressed the most interest in relocating within central city limits. The survey showed a higher interest in buying real estate in comparison to renting. A need for affordable rent and real estate was continually expressed.  
\*Turton inquired how parking would be affected with all of the multi-unit developments currently underway and proposed for the future. ED mentioned that part of the survey asked about willingness to go without a personal vehicle



*and that the majority of those who currently live in the central city were open to this idea. Hodgson also pointed out that some of the newer developments will have an area for zip cars that tenants can utilize for occasional vehicle needs. \*ED asked to receive direction from the committee on what stance MA should take regarding housing policy and what types of housing should MA advocate for.*

- b) **Action Taken:** Approve the updated Legislative Advocacy Policy as it relates to housing development policy  
**Moved by Hodgson/ Seconded by Turton/ Unanimous Vote – Motion Carries**  
*\*Parker shared that at that the time being the language in the Legislative Advocacy Policy as it relates to housing development policy only advocates for market rate housing; the policy also favors CPTED conscious design and buildings that are made up of both retail and residential tenants. Parker asked the committee if they would like to broaden this stance to advocate for a more diverse range of housing. The committee agreed to update the language in the Legislative Advocacy Policy in regards to housing to express “the need for diverse, high-quality housing”.*

V. **Strategic Plan**

- a) **Discussion:** General Updates (None)

VI. **Action: Consent Calendar**

**Both item moved by Hodgson/ Seconded by Hassett/ Unanimous Vote – Motion Carries**

- a) **Action Taken:** Approve August 2017 Executive Committee Minutes.  
b) **Action Taken:** Appoint Midtown Central Committee chaired by Kimio Bazett (Golden Bear), vice chaired by Dave Steinberg (LowBrau), and comprised of Joe Gomez (Mango’s), Matthew Byrd (Flamingo), and Art Aguilar (Cantina Alley)

*Adjournment – 1:07 PM*

*Respectfully submitted,  
Darling Sawyer*

