

**REGULAR MEETING OF THE
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**

**Tuesday, May 24, 2016 – 10:00 AM
Staff Conference Room – Second Floor
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

MINUTES

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

1. Call to Order

Chairman Stilley called the meeting to order at 10:09 a.m.

2. Roll Call

BOARD MEMBERS PRESENT:

Chairman David Stilley
Vice Chairman Karen Kinne-Herman (via telephone)
Member John VanLandingham

BOARD MEMBERS ABSENT:

Member Tim Kinney
Member Antoinette Beiser

Others present: District Attorney Dana Kjellgren; District Treasurer Brandi Suda; Stacy Saltzburg; Terry Madeksza, DBA Director.

3. Approval of Minutes of the Board meeting of April 5, 2016.

Member Kinne-Herman moved to approve the minutes of the Board meeting of April 5, 2016; seconded; passed unanimously.

4. Approval of Financial Statements for March 2016.

Ms. Suda stated that there was nothing unusual in the March financials; there was very little activity and everything looks fine.

Member Kinne-Herman asked if the receipts from November were low. Ms. Suda stated that the Board should consider making the receipt information one line in the financials because information is not received monthly from the Assessor which can lead to misleading information with a monthly breakdown. The assessments are on schedule and the prior year assessments have been fully received.

Member VanLandingham moved to approve the Financial Statements for March 2016; seconded; passed unanimously.

5. **Consideration of Resolution No. 2016-02:** A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (DISTRICT) ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE DISTRICT FOR THE FISCAL YEAR 2016-2017; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS

Ms. Suda stated that the legally-required schedules are in the packet and they will be posted in the newspaper this coming week and the next week as required. Final budget adoption will happen on June 7, 2016. Since the last meeting there were a few changes; the first is with municipal payments in lieu of taxes and the other is moving the one-time infrastructure project of \$17,000 out of the FY16 estimate into the FY17 budget as the payment will likely occur after June 30, 2016.

Ms. Suda reported that she got updated values from the Assessor's Office and pointed out that while they are collecting the same amount the rate is going down dramatically. The assessed value on one property went up dramatically because the Arizona Department of Revenue (ADOR) has changed how they do an assessment for some public utilities but everyone else's rate has gone down.

Member VanLandingham stated that the total collection was previously \$168,500 but the property taxes is only \$127,498 and the municipalities in lieu of taxes amount went down so the overall collection is below the \$168,500. He asked how the municipality number went down and why the private rate did not increase to compensate. Ms. Suda explained that the Assessor's Office determines the assessed property value and setting the \$127,498 as the flat revenue determines the rate. Member VanLandingham indicated that he believed that the flat revenue was always meant to be the \$168,500; he is concerned that they are losing \$6,000 out of an already modest budget.

Ms. Suda stated that the Board can choose to increase the rate of the private property tax but the payment in lieu of taxes is based on what the rate is; it is possible that a conversation could be had with the City and County to see if they are willing to pay the old rate. Ms. Kjellgren asked how the rate can be increased when the voters approved a specific rate. Ms. Suda stated that the voters approved a maximum rate and the current rate is far below that; as a secondary property tax they are not held to the truth in taxation requirements and therefore the rate can be changed so long as it stays at or below the approved rate.

Member VanLandingham asked if the calculations could be redone with the flat revenue set at \$168,500. Ms. Suda stated that she could do those calculations. Chairman Stilley suggested that they postpone action today until the new calculations could be done. Ms. Suda explained that there is plenty of time to make the corrections; the budget does require two meetings, one to approve the tentative budget and the other to hold a public hearing and adopt the final budget. Chairman Stilley suggested taking no action on the tentative budget today and bring forward a new tentative budget on June 7, 2016, for approval with the public hearing and final approval occurring on June 21, 2016.

Member VanLandingham asked for clarification on how to respond to the question why the private property rate went up when the municipality rate decreased. Ms. Suda stated that the response can be that the Board has no control over the underlying valuation that is set by the Assessor's Office.

6. Approval of Audit Contract between FDBIRD and Hinton Burdick.

Ms. Suda stated that she is still working through issues with the contract and that this item will need to be pulled. Chairman Stilley asked what the issue is to which Ms. Kjellgren explained that the vendor did not take exception to the samples given in the RFP and now they are trying to negotiate the terms of the contract.

7. Monthly Update by FDBA Executive Director Terry Madeksza.

Ms. Madeksza passed out an activity report. She highlighted the following items:

Parking: Parking continues to be a priority for the organization. The process continues to move forward on three different fronts; purchasing the equipment, determining how the program is going to be implemented in terms of location of kiosks, hours of operation and cost, and lastly the rollout and messaging of the program. The DBA is working with the City on a proposal to have the DBA manage and rollout the system. The DBA can help provide information that is consumer based, friendly, educational, etc. in the greatest way possible. That plan will be presented to the DBA board in June.

Fee for Service: The DBA has been selected to manage a contract on behalf of the City; the DBA will receive \$25,000 to manage the contract with CertaPro Painters. CertaPro will be painting all the downtown assets green, this includes street lights, signal poles and other items. Work has begun and things look great; the work should be completed by June.

Movies on the Square: Movies begin this coming weekend. So far \$32,500 has been raised so they are about \$12,000 ahead of last year and the fundraising is not yet concluded. All expenses will be covered this year. It is going to be a great season with new partners involved such as FUSD, Second Chance, and Purina.

Leroux St.: The construction is complete and the City and DBA board received zero complaints. With the amount of work that was done having no complaints is a great success. She applauded Eagle Mountain Construction and the DBA for coordinating efforts to make the construction and outreach a smooth process.

Heritage Square: DBA is working with the City on how to make the programming easier and less expensive in Heritage Square. They are working to find ways to create more activity on Heritage Square.

Ms. Madeksza reported that the infrastructure project has been designed and she handed out a copy of the design. It was a comprehensive process with an advisory panel made up of five members of the community who settled on the design. They were able to negotiate a lower price so there will be ten bike racks instead of five. The fabrication is being done by Artisan Metalworks, a local metal fabricator. The City has formally requested that installation be delayed so as to coordinate the placement of the bike racks in conjunction with the new parking kiosks. This delay will prevent having to remove the bike racks to accommodate the parking kiosks.

Member Kinne-Herman asked if the DBA has a seat at the table to discuss where the kiosks will go. Ms. Madeksza stated that she has been, and will continue, working with Karl Eberhard at the City to discuss the kiosk locations. Since people will have to put in their credit card information the areas will become part of the protected areas designated in the aggressive panhandling ordinance. They want to really evaluate where panhandling is already occurring to try and avoid issues.

Member VanLandingham stated that he had requested a statement in writing about the request to delay installation of the bike racks because the delay will put them beyond the deadline in the contract. Ms. Kjellgren stated that she will be discussing the letter and the request with the City Attorney's office to make sure everyone is on board with a mutual delay.

8. PUBLIC PARTICIPATION

Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.

None

9. Report of Board of Directors.

None.

10. Adjournment

The Regular Meeting of the Flagstaff Downtown Business Improvement and Revitalization District held May 24, 2016, adjourned at 10:45 a.m.

David Stilley, Chairman

ATTEST:

Elizabeth A. Burke, District Clerk