

**Downtown Business Improvement District
Board of Trustees Meeting Minutes
Tuesday, March 20, 2012 from 3-5 pm
ALPS Conference Room
111 North Higgins (Second Floor)**

Attendees: Tim France, Alan Newell, Charlie Beaton, Carma Gilligan, Rod Austin, Laurie Johnson

Absent: Rich Huffman

Guests: Linda McCarthy, Dan Elsberry and Rodrigo Volio from UM Accounting 425.

The meeting was called to order at 3:05 pm, and the two students observing the meeting today introduced themselves.

Proposed Facilities Staffing Contract

The contract was drafted by staff and reviewed and edited with the BID Employee Committee (France, Cederberg, Gilligan). The Missoula Downtown Association (MDA) Executive Committee and its full Board of Directors have approved the contract presented at today's Downtown Business Improvement District (BID) meeting.

Newell moved to adopt the Facilities Management Plan as drafted. Buchanan seconded the motion. Discussion ensued. Gilligan suggested 'maintenance vests' should be added in section 4A. Given the section does not address other apparel items; it was decided to leave it out. Staff indicated the assistant director will wear a BID maintenance vest.

Gilligan expressed her opposition to developing relationships with property owners outside of the BID district to attract additional service revenues for the organization. Although the BID has not had much opportunity to do so, Austin but would like to retain the opportunity to do so in an effort to generate outside revenues, build relationships with other potential stakeholders, and open the door for future expansion if and when appropriate. Gilligan feels the services should only be provided to ratepayers, even if there are additional fees for work outside of the district. It is legal if the BID is charging an assessment.

France shared an example of where a relationship with a non-ratepayer would be beneficial: what if a group of properties on or near the BID boundary get tagged where some are inside the BID and others are not? The sooner the graffiti gets removed or cleaned up, the better the BID looks in the eyes of the public. It would be good for BID representatives to have the option to talk with and work with property owners adjacent to the BID. Property owners should contact city police first.

Gilligan expressed her opposition to tree pruning. Austin communicated the value of having the option to trim on a case-by-case basis in an effort to be responsive to property owners and business owners in the district. City Parks & Recreation (P&R) does not trim the downtown trees, according to France. Newell feels it should be retained in the position description.

Gilligan questioned the need for staff to lift up to 100 pounds and feels that weight is too high. According to her research, Allied Waste has a requirement of 40 pounds, and the requirement for the Downtown Clean Team is 25 pounds. It was decided to leave the limit in the position descriptions due to the weight of some of the equipment in Caras Park.

Newell shared some of his concerns on the contract. He believes it is important for MDA and BID to work together and share staff members, recognizing the two entities have different responsibilities. However, he has concerns about:

- The BID taking on three seasonal employees who will primarily be responsible for MDA activities. This structure is driven by management oversight and worker's compensation insurance. Newell want to be sure it's the right choice for the BID and be certain in the rationale and transparency of that decision.
- In relationship to finances, the BID has good cash flow that appears to be getting better. This management contract requires the BID to bill bi-monthly for hours worked. Using BID monies to float that payroll could be a concern, so the payback from MDA should occur quickly. Newell doesn't want the BID to float payroll for employees not working on BID activities.
- In regards to oversight, Newell suggests the BID monitor its costs in this area so that neither organization pays more than \$5,000 over budget. Newell suggested, and Austin confirmed, that the numbers in the Facilities Staffing Proposal are approximately \$18,000 for MDA and \$36,000 for BID, noting that the BID labor sources are from the prior year.

Buchanan suggested the staff visit with the city auditor to see where their comfort level is with handling the mechanics of managing a combined budget. Questions such as how to book the expenses, how it should be presented, and whether or not it can be done in the eyes of the city auditor should be asked and answered.

In regards to insurance coverage and limits, staff reported that Payne Financial representatives are anticipating very little modifications – and maybe even some savings - in insurance expenses or coverage. Questions on the aggregate amounts being divergent between the BID and MDA indicate follow-up is needed with Payne Financial. Equipment coverage is maintained by BID. Each entity will list the other as an additional insured.

Cederberg communicated the need for supervision and control over the employees and to ensure all are covered under worker's compensation insurance. Because the BID Maintenance Manager will be the supervisor, so the insurance responsibilities should lie with the Downtown BID. These are the reasons the contract is set up for BID oversight. Additionally, Cederberg noted that the MDA, BID and even the Missoula Parking Commission (MPC) have common goals and certain areas of expertise. It's efficient for the entities to work together to keep administrative costs low. BID has developed the expertise in the areas of maintenance, so MDA is purchasing services from BID. It's similar to BID contracting with Opportunity Resources Incorporation (ORI) for expertise or how BID contracts with MDA for professional staffing expertise.

Conversation centered on whether or not the BID is a contracting agent and the needs or desires to do additional contract work. It's important to stay within the current parameters. Newell supports the concept of doing more things in collaboration with the MDA. France mirrored some of Newell's concerns, but noted the terms of the agreement (only through December 2012) and the reporting requirements (monthly and quarterly review). The BID will have the chance to review and see how well it does or does not work.

The staff was directed to meet with the city auditor and revisit the insurance limits.

The motion to approve the facilities contract: Cederberg, Buchanan, Beaton, Newell and France voted in favor. Gilligan voted in opposition. No abstentions.

Ratepayers' Breakfast – Wednesday, April 25 from 7:30-9am at the Florence Governor's Room

The proposed agenda for the upcoming BID Ratepayers Breakfast was reviewed, and several suggestions for modification were made:

- Shorten Inventory presentation to 15 minutes
- Shorten Policing presentation to 15 minutes and see if Bob Franke will be able to attend.
- Highlight the new facilities management program and additional coverage
- Add time for additional Questions and Answers
- Opening remarks by President Tim France

Austin wants to really showcase the inventory because it's so valuable for downtown property owners in terms of filling spaces and attracting investment; he agreed to revise and redistribute the agenda. Gilligan requested that all handouts are emailed and reviewed by the board prior to printing and distribution.

Cederberg suggested the Ambassador Statistics that were distributed at the City Council Luncheon are transitioned from line graph to a bar graph to better illustrate the decrease of numbers by month. Gilligan suggested the ordinances, the policing, and the hot teams be noted on the graphs. Buchanan suggested a better flow for how the agenda plays out. Austin communicated that he's working with Colin Hickey to design and print the invitation and indicated the staff would send an email communications out to the ratepayers as well.

Director's Report

Park Place Parking Structure – The name of the new parking structure on East Front will coordinate with the Central Park garage, as in the game Monopoly. The project is still on schedule for August completion, and Cederberg has been contracted to draw up the condominium agreements for the structure. The Public Art Committee rejected the art proposals for the new structure, so they're starting over with a new Request for Proposals (RFP) process.

Master Plan Implementation – The committee did not meet this month due to the conflict with the Griz game vs. Wisconsin. The Downtown Master Plan (MP) Implementation Committee will present to the City Council on April 9.

Committee Reports

Recruitment & Retention – Now referred to as business development, the committee met last week. Heidi Starrett and Todd Frank have been added to the committee as board representatives, along with Kim Johns, Scott Sproull and Brigitta Freer. Following the peer review process, the Downtown Inventory has been summarized and added to the website. The available properties page is seeing 3-5 new posts per week. We're not getting enough hits to sell ads as of yet, but Austin is eager to sell online ads. The committee discussed presentation of information at the Ratepayer Breakfast and how it can help fill properties. It needs to be communicated that Downtown is open for business. Octagon's Peter Goergen and Bill Ryan from the Downtown Wisconsin Alliance are both impressed with the amount of work and the extent that we've gone with data collection and analysis. The inventory could help drive traffic to the Missoula Economic Partnership (MEP) website too. User Dave Amerdine communicated recently that the property he leased was due to listing on the downtown website. **Jessica will develop a 2012 work plan and budget for initiatives coming out of this group** that will likely include: software updates, CAMA data maintenance and more. Estimated total costs for the year might be \$4,000-\$5,000 for a whole program budget for business development initiatives. Staff is interested in acquiring another summer intern plus marketing collateral. The committee discussed a potential Downtown Market Study, which is estimated at \$50,000-\$60,000, to better understand the market and retail conditions and prospects. Funding could come from a variety of different sources.

Employee and Streetscapes Committees – No Report

Other Items

Orange Street Expansion – Austin reported he has an estimated 40% approval from the Orange Street business owners. There appears to be a little pushback from a new property owner in the area, but work progresses on this initiative.

Recap Luncheon with City Officials – Hosted last week by the MDA, the City Council Luncheon went relatively well. There was disappointment that no one from the Mayor's office attended, but council turnout was 100%. A lot of things brought up by council members were some of the same issues the private sector is thinking about and/or working on.

FY2013 Budget Presentation – Staff sent a preliminary budget to the City Budget Office and is suggesting all BID committees get together to discuss work plans and budgets for FY2013. It was suggested that the Finance Committee should be directing the budget process and detail.

Snow Plan/Protocol – MDA sent a letter to Mayor Engen last month to seek improvements in snow removal planning and protocol. Steve King followed up and asked for a meeting with MDA and BID representatives.

Main Street Resurfacing Project/Mountain Water Main Street Project – The State of Montana will be resurfacing Main Street from Madison to Woody. In conjunction with that project, Mountain Water will be replacing the water line under the street. BID will assist with notifying business owners and property owners on the status of the project. Rod acquired a list of other construction projects happening in Downtown from the City of Missoula.

At the recent Transportation Policy Coordinating Committee (TPCC) meeting, the state announced it has evaluated how the downtown streets are working. The downtown streets have not been classified since 1992, and the reason that section of Main is not part of resurfacing is because Jefferson to Madison is not on the urban system. A portion of Front Street is also not on the urban system, so they're not eligible for state funds for maintenance. Streets classified as local do not qualify for state funding. When asked about the ramifications, Montana Department of Transportation (MDT) officials were vague.

Kubota Tires – BID purchased tires and rims for the Kubota and got them for less than they would if they had purchased directly from Kubota: \$399 for four tires and rims, saving over \$100 total.

Downtown Police – The downtown police beat patrol is scheduled to commence April 1, 2012, so staff will be will connecting with Bob Franke soon.

Post Office Box - Because BID does not receive mail at the post office box anymore, staff will close the box and simply use the physical address instead, saving money and time. Gilligan asked what marketing collateral may have the P.O. Box number on it, and Austin was directed to view the City of Missoula website to ensure the BID address listed there is accurate.

Ambassadors Report

The BID had the Mobile Information Kiosk (MIK) at the Mall March 17 and served hundreds of visitors at the Missoula Travel Expo. Southgate Mall stats indicate 22,000 people entered the shopping center on that day. While there are no ambassador statistics to report today, Johnson communicated there has been an uptick in graffiti and billposting. Transient activity has been phenomenally positive, given the nice weather Missoula has seen all winter.

The Mayor's Downtown Advisory Committee (MDAC) – Built Environment Sub-Committee is looking at how to potentially build public restrooms in Downtown due to the requests from Occupy Missoula. Questions the committee is wrestling with pertain to recommendations on this issue from the Downtown Master Plan, opportunities to improve and utilize current facilities (i.e. Caras Park) and how to pay for, implement and maintain restrooms in the public realm.

France asked if the city police department was planning to make a strong showing when the warm weather season and the traveling transients arrive to ensure quality and accurate communication about tolerable actions to our visitors is clear upon their arrival. Johnson reported that even the transients are asking when the city police will be out and about downtown. The transient population knows what's going on, and the message needs to be communicated that certain behaviors will not be tolerated. Staff was instructed to follow up with city police on this inquiry.

Approval of Minutes

Gilligan suggested modification of #4 – sixth line down in reference to the facilities management agreement that “in the aggregate” be added as it relates to the limit of \$10,000 over what has been budgeted. Cederberg agreed. Therefore, the February minutes will be revised as directed.

Buchanan moved approval of the minutes with suggested revision. Gilligan seconded. All approved.

Financial Report

The Finance Committee did not meet this month or last month, but Austin communicated that the financials look pretty good. Austin shared his VISA statement with Carma and also asked the bookkeeper to relocate the Stoverud Clock line item out of Administration and into Streetscapes, which makes sense to all. The staff continues to have problems with the city in terms of accurately recording BID revenues. For example, the ending balance for January 2012 and the

beginning balance for February 2012, as noted by city finance staff, was off by \$70. Further investigation by the bookkeeper indicates that \$70 is accumulated interest that is not being communicated by city staff to BID staff. The best we can do is to continue to have the BID staff reconciling those numbers at each transition. Most of the adjustments by the city tend to be interest adjustments, and Buchanan believes those actions happen daily. Newell reported that bookkeeper Robert Giblin is a productive, responsive employee who understands what the BID is doing.

Gilligan questioned the check register and specifically a check going to the city. It was clarified that the check is for Austin's health premium, which he actually covers himself

Trustee Comments

Beaton inquired about the recently news on the concept of bringing Wi Fi to Downtown Missoula and asked for additional information on that. Austin reported on a recent meeting with Cople and O'Herron and the need for paid service. The bigger deal is a higher level of service and security for Internet access. Missoula needs an inventory of its technology infrastructure; however, the proprietary issues prevent a real assessment. Could the conversation be framed to incentivize the sharing of information? If so, how? Cederberg indicated maybe the city's economic development group might benefit from some information and direction from BID. Since this will be a newly-reconstituted committee of the council, the council members need to understand what's already offered. Maybe the City's Internet Technology (IT) department could contribute in this realm? Municipalities are typically heavy users of a system like this? What happens when you bring St. Pat's and UM into the mix? It was suggested that Cople and O'Herron be invited to the Business Development Committee to think more and learn more about these items.

France announced he will be gone April 13-22. Vice Chair Beaton will preside over the April meeting.

Buchanan asked if anyone knew that the Lighting District Report was in front of the City's Public Works Committee this week. She would like some downtown representation to be present at the meeting tomorrow.

The meeting adjourned at 4:40 pm.