

DLMD Board Meeting
Wednesday, November 2, 8:30 am
201 East Main, 9th Floor
McBrayer, McGinnis, Leslie & Kirkland

- I. Welcome & sign-in
- II. October 05 minutes
(Board action required)
- III. Treasurer's Report (Grossman)
- IV. Old business
 - A. Advisory Council (Phillips)
 - B. Marketing and Investments discussion (Frazier)
 - C. Update on contract services (Warren)
- V. New Business
- VI. Public comment for items not on the agenda
- VII. Adjourn

Packet contents	Packet page number
• October 05 Meeting Minutes	# 2
• Treasurer's Report	# 3
• Advisory Council slate	# 5
• Budget, and analysis for marketing and investments	# 7
• Contract services update (Block-by-Block)	# 12
• Herbie corral map	# 15

**Downtown Lexington Management District
Board of Directors Meeting
October 05, 2016
201 East Main Street,
9th Floor (Jim Frazier Office)**

Present Board

Members: Andrew Carter, Gary Means, Geoff Reed, Jim Frazier, Nick Nicholson, Scott Davidson, Stephen Grossman, Steve Kay, Taunya Phillips, Tom Harris, Woodford Webb, and Zedtta Wellman.

Other persons present: David Warren, Thomas Pettit, Michelle Buerger, Kathryn Minton, Ken Armstrong, Randy Burke, Connie Miller, Christopher Corcoran.

*******Minutes*******

The meeting commenced at 8:35 am. Mr. Frazier welcomed guests. Mr. Harris made a motion to approve the September 07 minutes, Ms. Wellman seconded, and the motioned passed without dissent.

Mr. Frazier provided an update to the board of the September 21st public hearing, with nearly twenty members of the public in attendance. Mr. Frazier reported that he presented the budget, and had open conversation with the property owners in the audience. Mr. Frazier opened the idea of having televised meeting in the Council Chambers, and Mr. Webb discussed some concern of the optics of locating this board within a government building. The board determined to continue having meetings in Mr. Frazier's Office.

Mr. Means provided an update on the discussion with the City, Block-by-Block, and SP+ parking regarding a trash corral to service the Old Courthouse area. The contract is moving along, and an update will be provided at the next meeting.

Ms. Phillips reported on the receipt of Advisory Council applications. The selection committee (Chaired by Ms. Phillips, including Ms. Betz, Mr. Gibbs, and Mr. Grossman) will meet, and bring a slate of up-to-five nominees to the November meeting.

In new business, Mr. David Warren presented an update on Block-by-Block's first month of service, including key metrics. Mr. Warren discussed the pedways near the Lexington Center, and the board discussed reaching out to Mary Quinn Ramer re: arranging for DLMD to monitor pedways. Mr. Warren discussed the Louisville panhandling ordinance, and the board discussed going to the Council with a request for an updated ordinance. Vice Mayor Kay discussed the increase in panhandling, and also some of the local concerns regarding homelessness and not criminalizing homelessness. The board discussed the feedings that are happening by the library, and general homelessness concerns. Mr. Frazier suggested the board invite the City's Director of Homelessness Prevention and Intervention, Charlie Lanter, to address the board and provide background information.

LFUCG Code Enforcement Director Ken Armstrong presented on downtown code enforcement, and emphasized that enforcement is complaint driven. The board discussed a specific concern on Main Street, and reaching out to the property owner. The board discussed at length the responsibility of private property owners and the responsibility of the city to enforce the rules. Mr. Webb and Ms. Miller discussed the value of marketing and promoting downtown. The board discussed the lack of marketing as a line item in the budget. Mr. Frazier suggested that the board come prepare to the next meeting to discuss (i) marketing and (ii) ideas for downtown investments (Grants Committee).

The board voted to adjourn at 9:50 am.

CC

3:24 PM

11/01/16

Accrual Basis

Downtown Lexington Management District
Balance Sheet Detail
As of November 1, 2016

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
ASSETS								
Current Assets								6,460.28
Checking/Savings								6,460.28
Bank of the Bluegrass								6,460.28
Total Bank of the Bluegrass								6,460.28
Total Checking/Savings								6,460.28
Accounts Receivable								0.00
Total Accounts Receivable								0.00
Other Current Assets								0.00
Total Other Current Assets								0.00
Total Current Assets								6,460.28
Fixed Assets								0.00
Total Fixed Assets								0.00
Other Assets								0.00
Total Other Assets								0.00
TOTAL ASSETS								6,460.28
LIABILITIES & EQUITY								
Liabilities								6,460.28
Current Liabilities								25,000.00
Accounts Payable								0.00
Accounts Payable								0.00
Total Accounts Payable								0.00
Total Accounts Payable								0.00
Credit Cards								0.00
Total Credit Cards								0.00
Other Current Liabilities								0.00
Payroll Liabilities								0.00
Total Payroll Liabilities								0.00
Total Other Current Liabilities								0.00
Total Current Liabilities								0.00

3:24 PM

11/01/16

Accrual Basis

Downtown Lexington Management District
Balance Sheet Detail
As of November 1, 2016

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Long Term Liabilities							25,000.00	
LFUCG Start-up Loan							25,000.00	
Total LFUCG Start-up Loan							25,000.00	
Total Long Term Liabilities							25,000.00	
Total Liabilities							25,000.00	
Equity							-18,539.72	
Opening Balance Equity							0.00	
Total Opening Balance Equity							0.00	
Retained Earnings							0.00	
Total Retained Earnings							0.00	
Net Income							-18,539.72	
Total Net Income							-18,539.72	
Total Equity							-18,539.72	
TOTAL LIABILITIES & EQUITY							6,460.28	

DLMD advisory council applications

		District Connection		Technical Expertise				
Name	Position	Property owner / tenant	Work in district	Worked to create DLMD	Beautification	Security & safety	Economic development	Contributions as DLMD Advisory Council Member
Fortune, Beverly	Herald-Leader freelance writer			Yes	Yes			<p>I wrote a weekly garden column for the Herald-Leader for over 15 years and that experience would benefit the Management District in its future environmental and beautification initiatives. Topics ranged from successfully growing annuals and perennials to plant diseases and pesky insects, container gardening, trees and shrubs, lawn care. I interviewed countless gardeners, horticulture professionals, authors, landscape architects and garden designers including Jon Carloftis. The Knight-Ridder national wire service carried the column. I wouldn't pretend to have all the answers, but when horticulture-related questions arise, I know the experts to call. I am a Master Garden and before launching the column, took a semester of horticulture classes for credit at UK.</p> <p>Other:</p> <p>Effective communications will be important in establishing a successful Management District, and my experience as a newspaper reporter who covered downtown and city hall could play a valuable roll. Community members, stakeholders and government partners cannot be assumed to know as much about the Management District as board members. Carefully crafting the message of what the Management District is, what it stands for and what it is doing will be needed to sustain the public-private partnership, build trust and market downtown effectively. I have in-depth knowledge of the city, its business and governing networks, and I love downtown!</p>
Jones, Larry	Central Region President, Community Trust Bank	Yes	Yes	Yes			Yes	<p>I have had experiences with a prior taxing district similar to this - the management of such, and the developing of projects for use of funds generated. Also, I have had extensive experience with a "similar idea" - the National Trust for Historic Preservation - National Main Street Program. As part of the Main Street Program I have been President of those organizations in Starkville, MS; and, in Ashland, KY.</p>
Pettit, Thomas	President Home Owners Association , Main+Rose	Yes		Yes	Yes	Yes		<p>I feel that people who live in the district have more firsthand knowledge of the amenities as well as the problems. Because I am retired I spend a great deal of time in the district not only during the day but in the evenings as well. Walking around gives you a unique perspective of the area</p>

DLMD advisory council applications

		District Connection		Technical Expertise				
Name	Position	Property owner / tenant	Work in district	Worked to create DLMD	Beautification	Security & safety	Economic development	Contributions as DLMD Advisory Council Member
Sanchez, Salvador	Owner - A Cup of Common Wealth	Yes	Yes	Yes		Yes	Yes	As a believer in the importance of any city's downtown, I feel extremely invested in the continued success of our downtown and feel that I could contribute greatly to DLMD for several reasons. As a part of the Advisory Board, my contributions would most likely come from experience in marketing/social media, support with community relations, strategic initiatives, planning, small business growth and organization. I am also on the commission of Keep Lexington Beautiful, so there could be some collaboration between DLMD and KLB ensuring beautification of downtown. Finally, the security and safety of downtown is crucial to the overall viability, so any ideas we can create and implement to foster a sense of security, safety, and increase awareness would be beneficial as a whole.
Smith, Donna (CPA)	Managing Ptr, SKW CPAs & Advisors, PLLC						Yes	It has been exciting to see downtown Lexington's renewal over the last two decades and it is important that this evolution not stall, not only for the health of the DLMD, but for our entire community. As a CPA practicing in Lexington for over 20 years, I hope to offer insight gained from the numerous client relationships and experiences.

Budget notes

Contract services

- The original budget called for nine-months of service, and a total budget of \$168,750. Block-by-Block was able to start in September, and so will provide ten months of services, at an estimated cost of \$171,610
- The difference (\$2,860) can be covered by the contingency reserve (\$14,380)
- At the \$17,161 monthly rate, Block-by-Block is projected under-budget for FY 2018, at a cost of \$205,931, with \$225,000 budgeted

Special Projects

- A total of \$70,625 was budgeted for special project in FY 2017, including website, waste corrals, and \$40,000 for investments (grants)
- At minimum, \$40,000 remains free in clear, likely with leftover funds from website and startup

Administrative Costs

- \$42,750 was budgeted in FY 2017 for a part-time administrator (and \$57,000 in FY 2018). Those funds are otherwise available

Budget notes, continued

	FY 2017	FY 2018
Investments (grants)	\$40,000	\$60,000
Administrator	\$42,750	\$57,000
Total	\$82,750	\$117,000

Original budget revenue

DLMD REVENUE	Fiscal Year 2017 (Jul 1 - Jun 30)	Fiscal Year 2018 (Jul 1 - Jun 30)
TAX BASE	<i>(9 months of operations)</i>	<i>(12 months of operations)</i>
Tax base (non-exempt)	\$ 415,000,000	\$ 415,000,000
Tax rate, per \$100 value	\$ 0.10	\$ 0.10
Tax collection baseline	\$ 415,000	\$ 415,000

REVENUE		% of total revenue		% of total revenue
Tax revenue	\$ 410,850	94.3%	\$ 410,850	100.0%
Tax payment rate estimate		99.0%		99.0%
Tax collection baseline x payment rate	\$ 410,850		\$ 410,850	
Loan	\$ 25,000	5.7%	\$ -	0.0%
LFUCG 0% interest loan, 2-year term	\$ 25,000		\$ -	
Total Revenue	\$ 435,850	100.0%	\$ 410,850	100.0%

Original budget expenses

DLMD EXPENSES	Fiscal Year 2017 (Jul 1 - Jun 30) <i>(9 months of operations)</i>	Fiscal Year 2018 (Jul 1 - Jun 30) <i>(12 months of operations)</i>
EXPENSE		
Contract services package	\$ 168,750	\$ 225,000
Special projects	\$ 70,625	\$ 75,000
Website and startup activities	\$ 25,000	\$ 7,500
Match grants	\$ 20,000	\$ 30,000
Board capital projects	\$ 20,000	\$ 30,000
Waste management corrals	\$ 3,750	\$ 5,000
Pedestrian wayfinding maintenance	\$ 1,875	\$ 2,500
Administrative costs	\$ 50,000	\$ 65,000
Administrator	\$ 42,750	\$ 57,000
Professional services (audited financials)	\$ 5,000	\$ 5,000
Management, supplies, property notices	\$ 2,250	\$ 3,000
Loan repayment	\$ 12,500	\$ 12,500
LFUCG 0% interest loan, 2-year term	\$ 12,500	\$ 12,500
Sheriff property tax collection	\$ 17,638	\$ 17,638
Collection rate of tax revenue	4.25%	4.25%
Total expenses	\$ 319,513	\$ 395,138

Original budget: reserves

DLMD RESERVES	Fiscal Year 2017 (Jul 1 - Jun 30)		Fiscal Year 2018 (Jul 1 - Jun 30)		
RESERVES		<i>(9 months of operations)</i>	% of total revenue	<i>(12 months of operations)</i>	% of total revenue
Operations escrow reserve for first 3 months of next fiscal year (25% of annual expenses)	\$ 100,671	23.1%	\$ 98,784	24.0%	
Contingency reserve	\$ 14,380	3.3%	\$ 16,434	4.0%	
Reserve rate (of tax revenue)		3.5%		4.0%	
Reserve	\$ 14,380		\$ 16,434		
NET INCOME	\$ 1,287	0.3%	\$ 1,165	0.3%	
BALANCE	\$ 1,287	0.3%	\$ 2,452	0.6%	

- It is necessary to end each fiscal year with approximately one quarter of the annual revenue remaining in balance, to pay for the operations in the first quarter of the following fiscal year, as property tax revenues do not arrive until the beginning of the second fiscal quarter
- The board discussed the choice of fiscal year start date, and chose a July 1 start in order to allow for a faster startup process in calendar year 2016, and to align the fiscal year with the LFUCG fiscal year

Downtown Lexington Management District

October Report 2016



Highlights

September 2016 through October 2016

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Business Contact	'16	--	--	--	--	--	--	--	--	16	10	--	--	26
Graffiti/Stickers Removed	'16	--	--	--	--	--	--	--	--	882	576	--	--	1458
Hospitality Assistance	'16	--	--	--	--	--	--	--	--	22	39	--	--	61
Loitering - Observed	'16	--	--	--	--	--	--	--	--	1	--	--	--	1
Motorist Assist	'16	--	--	--	--	--	--	--	--	2	9	--	--	11
Panhandling - Aggressive	'16	--	--	--	--	--	--	--	--	3	--	--	--	3
Panhandling - Passive	'16	--	--	--	--	--	--	--	--	6	2	--	--	8
Park Count - End of Shift	'16	--	--	--	--	--	--	--	--	8	34	--	--	42
Park Count - Start of Shift	'16	--	--	--	--	--	--	--	--	--	68	--	--	68
Power Washing (hours)	'16	--	--	--	--	--	--	--	--	2	17	--	--	19
Sidewalk Drains Cleared	'16	--	--	--	--	--	--	--	--	40	322	--	--	362
Trash (lbs)	'16	--	--	--	--	--	--	--	--	2145	2851	--	--	4996
Weed Abatement (block faces)	'16	--	--	--	--	--	--	--	--	148	353	--	--	501

Because we are doing more leaf removal there was an increase in Trash(lbs). Overall Trash(lbs) were down.

Cleaning Highlights



