

Minutes
Business Improvement District
October 20, 2011

Board Present: Stacey Schaefer, Julie Duffy, Steve Alley, Andrew Ferrin, Garry Hackett
Board Absent: Doug Lorello, Hayley Leray
Staff Present: Joan Redeen
Guests Present: Alison Fried, Dean Boyle, Kevin Williams

- I. **Call to order:** Stacey called the meeting to order at 9:02am.
- II. **Guests:** Dean Boyle, with Intermountain Insurance, was present to discuss the BID's insurance policies. He informed the Board that there are issues with the BID's current insurance policies. The Traveler's Business Owner's policy had an incorrect address for the Johnson Hotel location. Joan noted that has already been corrected. Dean went on about the coverage. He is looking into what the association covers as the policy the BID currently has only covers the contents. He added that we do not have enough coverage for the EDA grant, should something happen to the building the BID would be liable to the EDA. The Inland Marine coverage is providing \$404,000 in coverage on 166 period lights downtown. The City noted that replacement cost for those lights is \$4,500 each. On the Arctic Cat Dean advised that we look into asking the City to insure it and the BID could reimburse for that coverage. On the Workman's Comp policy he noted that we are currently over-insuring our janitorial employees as they are listed as garbage collectors. He added that it is quite challenging to get the State to change those categories but if we could do it we'd see a lower premium. He noted that our D&O policy is sufficient.
Kevin Williams, with DGFA, was present to provide the Board with an update on the Downtown Marketing plan and request funding for DGFA's FY 2012. He reported that for year one of the five-year plan DGFA budgeted \$51K for FY 2011 and as of 6/30/11 had spent \$53,445. They anticipate spending approximately \$59K by 12/31/11 due to the change of their fiscal year. They attribute the overage to new events being added, marketing for events not paying for itself and small ad opportunities that were not budgeted for (Prairie Star, etc.). He noted that event marketing has been split from the marketing budget, so that each event's marketing will be funded by that event. The plan for year two is to reduce the marketing expenses and focus on regional publications and Canada. The projected budget is \$26,625 and DGFA is requesting \$10K from the BID for DGFA's fiscal year 1/1/12 to 12/31/12. A formal letter of request will be provided to the BID.
- III. **Approval of minutes from 9-8-11 meeting:** Julie motioned to approve the minutes from the 9/8/11 meeting. Steve seconded. **Motion passed unanimously.**
- IV. **Financials:** Joan noted that the Audit is complete and should be delivered to the office any time. Stacey inquired if the auditor had mentioned any issues. Julie noted that he had informed her that everything was fine. He offered to attend a Board meeting if the Board would like to hear from him directly. The Board noted that was not necessary at this time. Julie added that we need to continue to follow the time frame on grants and get updates noted in the minutes, as needed.
The Board received the July & August financials via e-mail last week. There being no discussion on the financials Julie motioned to approve the 7/31/11 & 8/31/11 financial statements which include the Balance Sheets, P&L, and the P&L/Budget comparison. Steve seconded. **Motion passed unanimously.**
Joan reported that the CD's with Stockman Bank renew on 1/6/2012 and 1/10/2012.
- V. **Grant Programs:** Joan noted that the following grant was submitted, and was approved by the Board via e-mail: Mark Scheels, Basics at 407 Central Avenue, Business Incentive for \$650. Julie motioned to approve the grant as previously presented. Andy seconded. **Motion passed unanimously.**
Discussion followed on Garry Hackett's residential grant request. Joan noted that the application was received on 8/11/11 and no decision has been made as of yet. Stacey expressed concerns about

residential grants remaining on the books for more than one year. Julie noted that the Montana Building has closed its first two sales and as a result will be moving forward and will likely be paid out in the summer of 2012. She added that Mauri is moving along and we should anticipate paying his out next summer as well. Steve withdrew his request for the balance of his residential grant as he is not remodeling at the \$40 per square foot rate any longer. He instructed Joan to remove his grant from the books, freeing up \$29,711.68 in residential grant funds. Steve and Andy both noted that they were in favor of Garry's grant. Garry and Julie both abstained. Stacey noted that she approves the grant request and instructed Joan to send an e-mail to the Board as a whole and request a vote so that both Hayley and Doug could provide their input. Steve brought up the topic of a quorum at a Board meeting and believed that a quorum was present and a vote could be taken on Garry's grant. Joan was instructed to contact the City and get details on the definition of a quorum, specific to this instance.

VI. Old Business:

Beautification: Adopt-a-Tree Program: Joan reminded the Board that the TIF funds are running low, less than \$8K remains. She inquired if the Board wanted to bring up the topic of an Adopt-a-Tree program again, as last time it was discussed we put it on hold while we had TIF funds available. Joan also provided the Board with a photo from Bozeman of a sign that hangs on their period light poles acknowledging the sponsor of their flowers, as one possible idea. The Board instructed Joan to work on an Adopt-a-Tree program model and present it to them.

Downtown Sound System: Joan reported Jim from Good Vibrations has found out that the heart of our system, the transmitter, has a lifetime warranty. Listen Technologies, the manufacturer of the part, informed Jim that the transmitter should be serviced every three to four years and ours was purchased in 2004 and has never been serviced. Jim informed Joan that if she can get the serial number he will get an RA number and we can send it in to be serviced. Garry motioned that Joan is approved to spend up to \$1,000 working with Good Vibrations on getting the sound system up and running. Steve seconded. **Motion passed unanimously.**

Flower Pots: Joan inquired with the Board if they would be interested in expanding the flower program. Currently there are 23 hanging flower pots on Central Ave and 11 rock planters (DGFA covers the costs of the flowers in the rock planters in the summer months). There are 166 total period light poles within the BID, so the possibilities for expansion are great. The Board instructed Joan to get prices on the necessary equipment and they will consider the possibility of expansion for next summer.

Graffiti: Joan reported that every product that has been tried has not worked. She noted that in Bozeman she again heard the benefits of the product called Elephant Snot. Garry noted that graffiti removal is the property owner's responsibility. Joan commented that the Board had previously discussed doing graffiti removal for property owners, whether we bill them for this service or provide it free of charge had not been decided. Stacey noted that if we need a power washer for the Elephant Snot she can allow us to use Stromberg's. The Board instructed Joan to order some Elephant Snot so we can try it.

T-Shirts/Hats: Joan provided the Board with a mock-up of what the shirts and hats would look like. The cost estimate is \$7 per shirt and \$7 per hat, a total of \$14. We'd need to order a minimum of 24 of each for that price. Joan noted that we could sell them for \$20 and see what the response is. Alison noted that she will work with Dennis at Sign Pro on a better design of the shirts and hats before the Board makes a final decision.

Joan inquired with the Board about the possibility of getting a full windshield installed on the Arctic Cat. Currently it has a small guard across the bottom, but no windshield. Power Tech provided an estimate of \$260 plus installation of approximately \$60 for a new windshield. The Board instructed Joan to get a windshield installed on the Cat. Joan informed the Board that, per their instructions, a letter was sent to the City requesting free parking for the Cat in garage. At the most recent Parking Commission they have agreed that the Cat can park in the garage free of charge. Joan also informed the Board that last week at the conference in Bozeman she attended a presentation by Billings on

their snow removal program. They noted that they are 1 of 5 BID's in the nation that provides snow removal, due to the liability issues. Billings also noted that there is a good deal of coordination with the City on removal. Joan will work with the City on our new program.

Downtown Action Alliance: Alison noted that with the approval of the Master Plan it might be a good time to re-visit the structure of the DAA. The BID initiated the DAA and has been instrumental in running the meetings, setting agendas and providing meeting notes, etc. She noted that it might be a good time to send a letter to the City noting that the BID is fine with relinquishing control of the DAA. The Board instructed Joan to draft a letter and provide it to them for approval.

Downtown Great Falls Association: Joan informed the Board that DGFA's general membership meeting is Tuesday, October 25 at 6pm in the 3rd floor atrium at the Rainbow. DGFA and the BID will host their annual open house on Thursday, December 8th.

Marketing: Joan informed the Board that Missoula's downtown association just sent out their most recent newsletter and with it provided a graph of where their marketing monies were spent, and who contributed to their marketing efforts. She added that the BID in Missoula contributed \$30K of the \$65K spent on marketing; with the Parking Commission providing \$30K and the downtown association contributing \$5K. The downtown association also funded all of their event marketing, which was separated from marketing downtown.

Downtown Master Plan: Joan informed the Board that the Master Plan was unanimously approved at the City Commission meeting on Tuesday evening, October 18th.

Downtown Safety: Joan informed the Board that the next Business Watch meeting will be held on Tuesday November 8th at 5:30pm and the topic is Code Enforcement. The Safety Committee is meeting on November 2nd and continues working on a Downtown Safety Plan pulling each of the safety items out of the Master Plan.

Great Falls Development Authority: Joan reported that the Branding will be unveiled on November 17th at GFDA's luncheon. In addition, Joan provided the Board with a copy of GFDA's annual report.

Insurance: Joan informed the Board they have four options to consider: 1. Stay where we are with Payne; 2. Move the existing policies to Erwin Insurance (our previous agent) as his office is now located within the BID; 3. Move to Stockman Insurance and get new policies, with cost estimates provided to the Board at this meeting (approximately the same as current policies) or 4. Move to Intermountain Insurance and get new policies. Joan noted that the D&O policy is up for renewal on 10/31/11 and a decision must be made about this policy. We currently pay approximately \$3,640 for all of our policies and the bid provided by Stockman is for \$3,741 total. Previously the Board had discussed re-locating our policies to a local agent and getting the policies (D&O and Business Liability) to renew at the same time. Steve noted that we need one broker. Garry motioned that we move our policies to Intermountain Insurance with Dean Boyle as our insurance broker. Steve seconded. Stacey, Julie and Andy opposed. Motion failed. Stacey noted that we need to meet the other brokers before a decision is made. Joan was instructed to renew the D&O policy with our current carrier and invite Steve Erwin of Erwin Insurance and Conn Forder of Stockman Insurance to attend a Board meeting so the Board can meet them. Joan was also instructed to talk to Wendy at the City about the possibility of moving the insurance on the Cat to the City. Joan was instructed to find out the details on the insurance policy on the Johnson Hotel building as well as whether or not we need to insure the full EDA grant amount or if it will be pro-rated should something happen to the building.

Johnson Hotel: Joan inquired with the Board about the two-year clause for incubator tenants. Deb Kottel has been a tenant for over three years and Sequoia Energy has been in the incubator for just over two years. Joan has been fielding inquiries from prospects who wish to establish new businesses. Steve noted that we need to go back to the purpose of the grant. Joan was instructed to find the two-year clause and send letters to the all of the tenants informing them of the clause and let them know their move-in date and how much time they have left. If they've been there longer than two years Joan was instructed to send them a listing of available space downtown.

Montana Downtown Forum: Joan informed the Board that she attended the conference in Bozeman last week. She noted that she attended several informative presentations and has many notes if any Board member is interested. Joan added that it is very likely that Great Falls will host the conference in 2012; she said that confirmation of Great Falls hosting it should be received within a week or two.

Parking Commission: Joan attended the October Parking Commission meeting this week. She noted that the City currently has an informal "Oops" program. They will waive tickets for first-timers if they come in and request it. This 'program' is not advertised though.

Personnel: Joan informed the Board that minimum wage will increase on 1/1/12 from \$7.35 per hour to \$7.65 per hour. This will affect Gail and Eddie, our two janitorial staff persons.

TIF Funds: Joan provided the Board with a copy of the response from the City in regard to our request for the status of TIF funds. The Board noted that it appears that \$52K was not used for the landscaping project on River Dr. & Broadwater Bay as the City was able to utilize other funding. The Board discussed possibilities for these funds. Steve noted that we should look closely at the Master Plan projects and see what objectives could be completed immediately utilizing these funds. Joan was instructed to e-mail the Board Chapter 3 of the Master Plan, the Implementation Table so they could review it and see what might fit.

Work Plan: Joan noted that she continues to follow the work plan.

- VII. **New Business:** Joan informed the Board that she attended a TBID Retreat; they are trying to establish a partnership with various organizations involved in tourism, similar to the Downtown Action Alliance. Joan noted that she continued to think about what role, if any, the BID could play in such a partnership.

Joan informed the Board that the Technical Assistance program will be holding a press conference on October 27th at 2pm at the Civic Center. The City will unveil the results of the Rocky Mountain building feasibility study.

Joan informed the Board that the DAA had requested a listing of conferences for 2012 and a list has been compiled. Joan will keep the Board informed if there are any conferences that she'd like to attend.

Joan inquired with the Board about the possibility of expanding the BID. She noted that the subject continues to come up at meetings she attends. Discussion followed. Steve noted that we should be providing sidewalk grants, so property owners can replace their sidewalk as necessary. Julie noted that if we continue to provide Business Incentive grants for new businesses to open downtown we should consider something for new residents who are signing a 15 to 30-year mortgage. Joan was instructed to inquire about how other BID's have handled expansion and if there are guidelines that prohibit new property owners from submitting for grant funding until they have paid in to the BID for a given time period. Joan was also instructed to find out if there is a BID assessment on residential parcels.

- VIII. **Public Comment:** Julie inquired when Joan's review is due. Joan noted that the review is due by 1/1/12.

Garry noted that he talked to Randy Tarum regarding the Johnson Hotel Condo Association and the possibility of the association sharing costs with him for pigeon netting between the Johnson and the Margaret building. He wanted to be sure we were aware in case the association requested a vote on the expense.

- IX. **Adjournment:** Meeting adjourned at 11:40am.

Stacey Schaefer, Chair

Joan Redeen, Staff

Date: _____

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