



DOWNTOWN ALBANY
Business Improvement District

**Downtown Albany Business Improvement District
Board of Directors' Meeting
September 13, 2018
BID Conference Room**

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Georgette Steffens
EXECUTIVE DIRECTOR

Richard Rosen
PRESIDENT

Mark Aronowitz
VICE PRESIDENT

Daniel Fariello
TREASURER

Pamela Nichols
SECRETARY

<u>ATTENDANCE:</u>		<u>ABSENT:</u>	<u>STAFF PRESENT:</u>
Richard A. Rosen	George Penn	Pamela Nichols	Georgette Steffens
Mark Aronowitz	Stephen M. Cleary	Robert Sears	Don Wilson
Mark Yonally	Daniel Fariello	Tyler Wrightson	Jason Bonafide
Tracy Metzger	David Galin	Chris Pratt	Jenny Coye
David Sarraf	Louis Bannister	Meghan Barkley	Veronica Medina-Matzner
Frank O'Connor, III	Hon. Darius Shahinfar	Seth Meltzer	Rebecca Haizmann
Bob Palmerino		Lena Hart	

CALL TO ORDER

The meeting was called to order by Board President Richard Rosen at 4:33 PM.

Mr. Rosen asked for approval of the April Board minutes | Motion by Mr. Aronowitz, Mr. Shahinfar seconds| All approve.

Mr. Rosen announced Veronica Medina Matzner was leaving the BID to pursue filmmaking fulltime and thanked her for her hard work during her time at the BID. He welcomed Rebecca Haizmann, who has returned to fill the Executive Assistant position and has been training with Ms. Matzner this week. He noted that the BID is looking for a receptionist desk, and that if anyone knows of one that can be donated or inexpensively purchased to please let BID staff know.

Since Mr. Palmerino was present at the meeting, Mr. Rosen suggested moving the Treasurer's Report earlier in the meeting.

TREASURER'S REPORT

Mr. Fariello reported the audit is complete and he and Ms. Steffens reviewed the draft with Mr. Palmerino, as well as the Budget & Finance Committee. He noted as the BID has received several grants, created new bank accounts to separate out assessment revenue and sponsorship monies, added a line of credit we have outgrown the current services CFO for Hire is providing.

Draft Audit

Mr. Fariello reviewed the draft audit with the Board and noted the following:

- Revenue is up as the total property assessments increased. That is because of both the citywide reassessment and several new projects coming online – the Renaissance Hotel, Wellington Row, etc.
- Net assets are down by about \$100,000. Ms. Steffens stated while net assets are decreasing, it is because we're taking the money that had been set aside under Special Projects and spending it back in the District. The includes the construction of the Dog Park, the purchase of all new trash receptacles, and other initiatives. Staff is obtaining pricing to purchase a new holiday light span for State Street as well as holiday lights for parks, and the possibility of purchasing an additional Ping-Pong table. These are examples to show what potential upcoming projects the BID is looking at to utilize the remaining reserves. Mr. Fariello noted this should be a relatively consistent trend as we accumulate and spend.
- For the BID's operating reserve, we continue to have 6 months in reserve. As it accumulates, if we have too much, we'll move to the Special Projects line.



- Ms. Steffens noted that under Reserves for assessments you will see a decrease from 2016. This was anticipated following the 2017 City-wide reassessment and the challenges we knew would come through. In 2018, no SCO money for settlements was budgeted because the BID felt we had the majority of the big properties had been covered under the 2017 settlements, but we anticipate there are several properties where their three-year window to challenge is coming due, as well as change in how the City assesses residential buildings, so we may see additional challenges to assessments. That's why the BID felt it important to keep a reserve for SCOs.
- Ms. Steffens noted for non-assessment revenue, this generally increases \$50,000 a year through sponsorships. It's important for that to be separated because with BID assessment dollars there are restrictions on how we can spend that; with sponsorship dollars, there are no restrictions.
- On liability, Mr. Fariello noted the change was the line of credit that was funding the grant was paid to zero after 12/31/17.

Mr. Fariello turned it over to the BID's Auditor to add anything to the report and for the Board to be able to ask any questions.

Mr. Palmerino noted a few items in footnotes that were particularly important:

- Found management to be forthcoming and reliable when discussing and pulling together the financial information that was used to complete the audit. There were no disagreements with management.
- Financial statements always include a certain number of estimates. A lot of times estimates are benign in that you have a desk that is expected to last over 10 years, you depreciate it over 10 years. There are also at times sensitive estimates. In the BID's case, the reserve for assessments is a sensitive estimate. We look at historical numbers and make a judgement as to what we want to set up the allowance. In all circumstances, we put in a paragraph detailing the sensitivity of that allowance.
- Regarding the line of credit, we detail the borrowing capacity for the line of credit including the expiration date.
- Outlined how the Board designated assets and reserves for special projects and the operating reserve were determined with Ms. Steffens.
- Allocation for program expenses verses management expenses is an important ratio. Anyone looking at the BID's expenses wants to know what percentage is being spent on programs versus management in general. The BID's percentages are holding consistent, and over the past 6 years program expenses have increased from 86% to 90% and management expenses have gone from 16% to 10%. That's pretty consistent and is trending in the right direction.
- No material weaknesses we identified. Mr. Palmerino did highlight the paragraph in the Management Letter on the separation of duties. You're a small organization, so separation can be difficult at times, but it should be at the front of the mind to continue to keep those duties separate.
- One item Mr. Palmerino brought up that did not need to go in the management letter was his findings of a bit of deterioration in the bookkeeping this year. I needed to make 25 journal entries and many of those were correcting mistake for journal entries that shouldn't have been made by the bookkeeper. Ms. Steffens and Mr. Palmerino had a conversation where we may be at a level where we need to have a bookkeeper in-house and on-site more often than CFO. Some of the journal entries I had to make, I think someone who has more knowledge of the organization who is here on a more frequent basis, intuitively would have known they needed to be made.

A discussion was held about the adjustments, and had they not been made, they would have been material in the audit. Ms. Steffens noted that she talked to Capitalize Albany, as they have a senior CFO for Hire person that is supervised by Capitalize Albany's Controller; they are open to sharing services and will be getting back to Ms. Steffens to discuss further. She added that adding controller review would be helpful, and that Sarah is pleased with who they have from CFO. She also noted that the Central BID is hiring a bookkeeper, so she will be reaching out to Ms.



Capece about the possibility of sharing services as well. The goal is to have this resolved and ready for the next budget year.

A motion was made by Mr. Cleary to approve the draft audit | Mr. Shahinfar seconded | All approved

Mr. Palmerino noted that he would have the 990 prepared for Mr. Fariello and Ms. Steffens before the November filing deadline.

Mid-year Financials

Mr. Fariello stated there was nothing of concern in the mid-year financials. Overall spending is either at or slightly under budget. Mr. Fariello highlighted some budget pieces:

- 10 N Pearl, one of two properties that pay a PILOT payment, has paid their 2017 bill but not their 2018 bill. The BID will work with the City on the working to obtain payment. He also discussed that property is off the tax rolls, having been purchased by SUNY; Ms. Steffens noted this will result in a \$12,000 decrease in the 2019 budget, and the hope is that other projects coming online this year will absorb some of that.
- One SCO has settled that is not included on the mid-year financials which is 90 State Street in the amount of \$3,000.
- Sculpture in the Streets income should come in by the end of the year. This year's placemaking exhibit will be moved to December, after the Williams Street project is completed; this is usually in June.
- Some of the National Grid grants will hit this year with the remainder hitting next year.
- On expenses, it was noted that: health costs were up, supplies cost were up for new business cards because of the new phone system, a final payment for the Cloud database will be made in the third quarter, under Clean & Safe there were some issues with ABM's national office – they were billing incorrectly but this has been sorted out and will be all paid up for the third quarter, and that the Annual Meeting spend was in second quarter and was budgeted in the third, publications were built for second quarter and billed in the third.

On the Williams Street project, it was noted that the bids came in higher than expected and the BID is value engineering with Clough Harbor to be able to remain on budget. There were three bidders, so staff will be going back to those bidders with updated designs for them to rebid in an effort to lower the total cost of the project.

Mr. Rosen said that the budget speaks to what the BID has in place dedicated to spending money to enhance Downtown. He also noted that the BID is working through Williams Street and looking forward to coming back to the Board with more information and thanked the Board for what they do throughout the year.

A discussion was held on the Planning Department's Maiden Lane project. Ms. Steffens noted that the department has hired consultants out of Boston to design the project, and that the budget is \$1.2 Million. They presented concepts and are holding discussions with the businesses adjacent businesses and well as the public at a recent meeting. Mr. Sarraf said that the project falls into three categories: raising cobblestone street up to sidewalk level, lighting with demarcation, and artwork and other use of paint and color. He noted that it seems like work will begin in the Spring. Ms. Steffens noted that part of the plan included opening up DiNapoli Park, and that businesses in that area are interested in having seating for patrons in the park.

Mr. Rosen asked if the Planning Department would be coordinating with the BID on signage for consistency throughout District, and if there was something the BID could do to partner on the project. A discussion was held on upgrading DiNapoli Park, and the possibility of the City Planner coming to a Board meeting to present about the project. Ms. Steffens is going to reach out and make that request.

CHAIRMAN'S REPORT

By-Laws



Mr. Rosen noted that after the last Board meeting, Ms. Steffens went back to Kate Hedgeman with the Board's questions on the last by-laws revisions. Many of those changes have been incorporated, and there were others that were not allowed based on the NYS Not for Profit laws, but Ms. Steffens believes she and Ms. Hedgeman were able to still meet the intended outcome through the remaining recommended changes.

Mr. Rosen added that based on feedback from Ms. Hedgeman and the need to hit 2/3 of 1/10 of our membership to vote on approving the updated by-laws, we have decided that we will hold the vote at our Annual Meeting as it is the one event where we have more than 10% of our membership present. This will also be the same for new Board members and Officers – the vote will be taken and counted at the Annual Meeting moving forward.

Ms. Steffens discussed the most recent version of the By-Laws, with changes highlighted in yellow. Recommended changes and clarifications that include, but are not limited to:

- Defining eligibility for Board members to specifically state must be tax-paying (own or reside in a BID special assessment paying property). As we're updating the database, the BID will be working on creating a membership card for Stakeholders, so anyone new will fill out a card and will updated in the database. In addition, staff will do an annual visual walkthrough of the District to confirm correct information.
- For Class C and D members, their term would end when the elected official is no longer in office.
- Shortening the length of the election process. Section 6.1 lays out the new election process with call for votes at the Annual Meeting. Now, we'll announce to the membership no later than 45 days prior to the Annual Meeting. If people are interested, they can petition to be on the ballot. People can mail in the ballots ahead of the Annual Meeting or can vote at the event.
- Changing the Board President term to one 2-year term with a 1-year renewal option (currently it is up to two 1-year terms)
- People will be able to vote by mail, too.
- Class A properties don't need to apply for membership.
- Board number would go from 21 to 20, as the BID is not obligated to have a State representative. The Board makeup is up to 20 members, so the BID is not penalized if not all spots are filled. For Board meetings, 51% of occupied seats counts as a quorum.
- If the BID were to buy property, that would be voted on by the membership.
- The dollar amount for checks to be signed off on by Dan and Georgette would go from over \$500 to over \$2,500.
- In January, the BID will start sending messaging around the new By-Laws.

It was brought up that hunting down a notary can be difficult, and the BID staff should look to see if this is necessary. In addition, Ms. Steffens will be updating the By-Laws to reflect a change directing people from 1E to 3E.

A discussion was held on the new Board election procedure, and that the number of people who Stakeholders are voting on is equivalent to the number of spots. Ms. Steffens noted that the BID wants to make sure there is diversity on the Board in the types of businesses, etc., and Mr. Rosen added that the process has always been open to the public, with people having the ability to petition to be on the ballot. He also spoke about the Nominating Committee putting out messaging on the ability to apply to the Board, which might get more votes and create interest and engagement on the conversation. Mr. Rosen noted that updating the By-Laws is a good time for reflection on what can be done better. Ms. Steffens noted that the breakdown of property owners versus tenants on the Board is state law, and that if people are interested in getting more involved there are welcome to join committees as well.

EXECUTIVE DIRECTOR'S REPORT

Events



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Ms. Steffens noted there are multiple events coming up. This weekend is Pearlpalooza, Yogapalooza, and the cornhole tournament. Last year, Yogapalooza had 250 participants and this year 200 people are registered so far. The cornhole tournament has sold out, and music starts at 1 p.m. There is an event at the Palace that night, too.

Next Friday, the BID will be auctioning off Nipper statues in live and silent auctions. 17 sculptures will be up for sale, and 55 tickets to the event have been sold so far, with a 170 ticket limit. A link with the online auction page will be sent out.

Other events coming up include Hounds of Halloween and a dog friendly movie and a doggie bag with dinner.

Ms. Steffens also noted the movie series wrapped up, and through sponsorships obtained by the TU Center the BID will receive \$1,000. Attendance matched about what the Plaza gets for their movies, and there is a discussion about changing the night for next year's series. In addition, the Pawcasso event raised \$500 and included about 50 dogs.

NEW BUSINESS

With no further business to be discussed, the meeting ended at 5:50 PM.

NEXT MEETING

Thursday, October 18, 2018

4:30 PM

2nd Floor Conference Room