

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

**Tuesday, May 6, 2014 – 10:00 AM
Staff Conference Room – Second Floor
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

1. Call to Order

Chairman VanLandingham called the meeting to order at 10:02 a.m.

2. Roll Call

Board Members Present:

Board Members Absent:

Chairman John VanLandingham

None

Member Antoinette Beiser

Member David Stilley

Others present: District Attorney Dana Kjellgren; District Treasurer Barbara Goodrich; District Clerk Elizabeth Burke; Mark Lamberson; Karl Eberhard (arrived at 10:18 a.m.); Maury Herman.

3. **Consideration of Resolution No. 2014-03:** A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (DISTRICT) ADOPTING THE BUDGET AND FIXING THE TAX LEVY, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE DISTRICT FOR THE FISCAL YEAR 2014-2015; 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. Goodrich distributed handouts which included the proposed tentative budget and then reviewed the process from that point on. She explained that once the Tentative Budget was adopted, she would advertise the Legal Schedules (attachments of the Resolution) in the paper for the next two Fridays, along with the Notice of Hearing on the Final Budget Adoption at the May 20, 2014, Meeting.

It was noted that this notice should also be posted on the website and it was fine if they were available at businesses throughout the district.

Member Stilley moved to adopt Resolution No. 2014-03; seconded; passed unanimously.

4. **Consideration of Resolution No. 2014-04:** A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT OF FLAGSTAFF AUTHORIZING PROCUREMENT LIMITS, SELECTION OF A BANKING INSTITUTION, SIGNATORIES ON DISTRICT BANK ACCOUNTS, AND APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR SERVICES WITH THE CITY OF FLAGSTAFF

Ms. Goodrich said that the District is required to follow state procurement limits and she wanted to make sure that the Board was comfortable with the limits included in the resolution. She said that they were arbitrary numbers based on past discussion, but there is a point under State Statutes where they would have to go through a formal procurement process. She then explained the different types of procurement methods.

Chairman VanLandingham said that the resolution required that a bank located within the District be used for their funds. He said that National Bank is used for the Downtown Business Alliance and would continue there, so he suggested that they use Compass Bank for the District bank; all agreed.

Brief discussion was held on Item 4 of the Resolution, which was the new Intergovernmental Agreement. Chairman VanLandingham noted that the only changes dealt with adjusting the timing and deadlines, and it was triggered by a successful tax election. Mr. Eberhard noted that there were two other changes. First, the initial IGA required the District to provide insurance; this draft states that the District may be asked to provide insurance. Ms. Kjellgren noted that the second change was with regard to the indemnification provision. They had asked for it to be either modified to be equitable or remove it altogether; the City chose to remove it.

Member Stilley asked what the sanctions were if the District failed to meet any of the requirements of the IGA. Ms. Kjellgren replied that each item has a monetary value so if that item was not completed the District would be required to reimburse the City in that amount.

Ms. Goodrich said that Mr. Cafiso had previously mentioned the issue of insurance being a large topic and asked if he was comfortable with those changes. Ms. Kjellgren said that Mr. Cafiso had relayed to her that insurance was not his area of expertise and so she asked Ms. Wendel to ask the City's Risk Manager about the issue. It was agreed that insurance would need to be obtained when the District was undertaking an infrastructure or other major construction project. Chairman VanLandingham said that the City's Risk Manager also mentioned that the District should also ensure that any contractors hired by the District had appropriate insurance coverage.

Chairman VanLandingham said that it was his understanding that the Board members were immune from prosecution, similar to Councilmembers. He asked if the City had insurance for the Council and if so, whether they would suggest the Board members

have it as well. Ms. Kjellgren said that she would look into that issue. She noted that the effective date of the IGA will not occur until after the successful tax election.

Member Stilley moved to adopt Resolution No. 2014-04; seconded; passed unanimously.

5. **Consideration of Resolution No. 2014-05:** A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT OF FLAGSTAFF CALLING A SPECIAL ELECTION FOR JUNE 4, 2014, FOR THE PURPOSE OF SUBMITTING TO THE PROPERTY OWNERS AND QUALIFIED ELECTORS OF THE DISTRICT A QUESTION AUTHORIZING THE DISTRICT BOARD TO LEVY AN AD VALOREM TAX AT A MAXIMUM RATE NOT TO EXCEED TWO DOLLARS AND THIRTY NINE CENTS (\$2.39) PER ONE HUNDRED DOLLARS (\$100) OF THE ASSESSED VALUATION FOR ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT

Chairman VanLandingham noted that the \$2.39 per \$100 in valuation indicated in the resolution, and on the sample ballot, matched the wording of the petition that was taken to the property owners back in February.

Councilmember VanLandingham moved to amend Resolution No. 2014-05 by removing any reference to personal property; seconded; passed unanimously.

Ms. Goodrich explained that after the election they would set the property tax levy before August. She hoped to see that done at the same meeting as the canvass of the election.

It was clarified that the numbers provided by the County excluded personal property value.

Member Stilley moved to adopt Resolution No. 2014-05 as amended, and authorize the District Clerk and Legal Counsel to make whatever amendments may be necessary to conform with state law; seconded; passed unanimously.

6. 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.

Member Stilley said that he believed there were three issues to be addressed: parking, parking, and parking, and that the solution was parking garages, parking garages, parking garages.

After a few questions from the public the District Clerk reviewed how the election process would work.

7. Adjournment

The Regular Meeting of the Board of the Directors of the Flagstaff Downtown Business Improvement and Revitalization District of May 6, 2014, adjourned at 10:46 a.m.

John VanLandingham, Chairman of the Board

ATTEST:

Elizabeth A. Burke, District Clerk