

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

Tuesday, May 26, 2020 – 10:00 AM

To reduce the spread of COVID-19 and protect the safety of district members and the public, in person attendance at the district meeting has been suspended until further notice.

The public and the board members may access the online meeting via Zoom Video Conference at:

<https://us02web.zoom.us/j/83574412021?pwd=UUIGRFNoSzVKZU5rNEJjdUxidTNwdz09>

Meeting ID: 835 7441 2021

Password: 327030

A G E N D A

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A) (3).

1. Call to Order
2. Roll Call
3. Approval of Minutes of the Regular Board Meeting of April 14, 2020
4. Consideration of Resolution No. 2020-01: A resolution of the District Board of the Flagstaff Downtown Business Improvement and Revitalization District (District) adopting the tentative estimates of the amounts required for the public expense for the District for the Fiscal Year 2020-2021; adopting a tentative budget; setting forth the receipts and expenditures; the amount proposed to be raised by District Property Taxation; and giving notice of the time for hearing taxpayers
5. FDBA Director Report
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.

7. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the Board with the District Clerk.

_____ Stacy Saltzburg, MMC, District Clerk

REGULAR MEETING OF THE
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT

Tuesday, April 14, 2020 – 10:00 AM

To reduce the spread of COVID-19 and protect the safety of district members and the public, in person attendance at the district meeting has been suspended until further notice.

The public and the board members may access the online meeting via Zoom Video Conference at:

<https://us04web.zoom.us/j/506053297?pwd=OUJvMis3SFIsVWxhQWqxeHVMM3g3UT09>

Meeting ID: 506 053 297
Meeting Password: 020551

MINUTES

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A) (3).

- 1. Call to Order

Chairman David Stilley called the Regular Meeting of April 14, 2020 to order at 10:02 a.m.

- 2. Roll Call

MEMBERS PRESENT:

Chairman David Stilley
Vice Chairwoman Karen Kinne-Herman
Member Steve Chatinsky
Member John VanLandingham

MEMBERS ABSENT:

Member Jerry McLaughlin

- 3. Approval of Minutes of the Regular Board Meeting of January 14, 2020

Vice Chairwoman Karen Kinne-Herman moved to approve the minutes of January 14, 2019; seconded by Member John VanLandingham; passed unanimously.

- 4. Acceptance/Approval of the FY2019 Financial Statements

Ms. Suda presented the FY2019 financial statement. She stated that everything looked to be in order with nothing unusual, and the District ended with an ending fund balance of \$107,862 which was an increase of \$13,324.

Member John VanLandingham moved to accept and approve the FY2019 Financial Statements; seconded by Member Steve Chatinsky; passed unanimously.

5. Discussion of FDBIRD Budget FY21

Ms. Suda stated that there are two options for the Board to consider; flat revenue meaning that the same amount is collected as the previous year, and flat rate which increases revenues by approximately \$8,000 over the previous year. She stated that the property tax evaluations were done last fall and most property values did go up the maximum amount of 5%, most likely due to improvements to properties.

Chairman Stilley stated that it is likely that there will be some property devaluation due to the current economic crisis, he asked when it is likely that it would affect the budget. Ms. Suda stated that it is usually a two-year lag and it would likely not be realized until 2022 or 2023.

Vice Chairwoman Kinne-Herman asked if there is a need for the additional funding in the budget. With property owners and businesses struggling with the economic impacts of the pandemic everyone will be dealing with tighter budgets in the coming year. Member VanLandingham noted that the last two years have been budgeted with the flat rate.

Ms. Suda stated that last year the additional funding was used for the management contract with the FDDBA. She indicated that even with the increased management contract the District is at a point where there is a balanced budget even with the flat revenue. She added that they have built in a contingency of \$30,000 if there is ever a need for expenditures mid-year. One thing to consider is that if businesses close or have financial difficulties it may be difficult to get 100% of the revenues with if people delay paying their property taxes. That has not been an issue in the past, but it is something that can happen during a recession.

Chairman Stilley suggested moving forward with a flat revenue. The Board agreed and provided direction to Ms. Suda to bring forward a budget utilizing the flat revenue option.

6. Consideration and Possible Action to Approve Payment of the Semi-annual payment to the FDDBA in in the amount of \$88,250.

Member Steve Chatinsky moved to approve the payment of the semi-annual payment to the FDDBA in in the amount of \$88,250; seconded by Chairman David Stilley; passed unanimously.

7. Discussion: Sales Tax Information from the Arizona Department of Revenue

No additional information to report.

8. FDDBA Director Report

Ms. Madeksza provided the Board with the attached report.

Ms. Madeksza stated that the report outlines the efforts from the past two months, but right now all efforts are focused on managing the current pandemic/economic situation. A three-pronged approach with stakeholder communication, forward facing outlook, and advocacy at the state and national levels. Ms. Madeksza is very engaged in the International Downtown Association and there are a lot of resources available and information about what other communities are doing. Many other communities are looking to Flagstaff and what our city is doing in response to the current pandemic. The FDDBA communicated early in the crisis with businesses, and that helped generate communication to the public about which

businesses are doing carry out and delivery. There is a special webpage on the FDBA website dedicated to the businesses, with information on who is open and the financial and support resources available.

Ms. Madeksza indicated that she has been in communication with the City Manager and Mayor about what is coming next and events going forward. She stated that Movies on the Square is coming up, and the DBA board is starting to have conversations about what that will look like since it is such a big fundraiser for downtown. Many large-scale festivals across the country have been cancelled, but some smaller events are still being considered. Downtown will be ready to go when it's safe to open Movies on the Square.

Ms. Madeksza indicated that the CARES Act did not provide any financial aid for 501(c)6 organizations. They are working with the Mayor and Senator Sinema's office, along with other DBAs, to advocate for the addition of that type of funding. They will continue to look for options to help the downtown businesses.

Ms. Madeksza also reported that the Downtown Vision process is underway. The vision plan is more important now than ever before, and they are fortunate to have experts to assist in planning for the recovery efforts. The consultant team is engaged and has taken a deep dive into Flagstaff; they continue to gather information and they are meeting with the City and community stakeholders.

Vice Chairwoman Kinne-Herman expressed her appreciation for the resources being provided and communicating with the public about what is still open and how to access businesses. She also expressed appreciation for Ms. Madeksza and the DBA's work to provide information to businesses on the financial support available to them and where to access that information.

9. 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.

There was no public in attendance.

10. Adjournment

The Regular Meeting of the Flagstaff Downtown Business Improvement District of April 14, 2020 adjourned at 10:24 a.m.

David Stilley, Chairman

ATTEST:

Stacy Saltzburg, District Clerk

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT
OF FLAGSTAFF, ARIZONA**

RESOLUTION NO. 2020-01

A RESOLUTION OF THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (DISTRICT) ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE DISTRICT FOR THE FISCAL YEAR 2020-2021; ADOPTING A TENTATIVE BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT PROPOSED TO BE RAISED BY DISTRICT PROPERTY TAXATION; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS

WHEREAS, on February 4, 2014, the City Council of the City of Flagstaff, Arizona (the "City"), adopted a Resolution ordering and declaring the formation of the Flagstaff Downtown Business Improvement and Revitalization District (the "District") in the City of Flagstaff, Arizona; and

WHEREAS, the District is a special purpose tax levying revitalization district as provided in Section 48-6807 of the Arizona Revised Statutes, and is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a tentative budget must be adopted by the District.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT OF FLAGSTAFF, ARIZONA AS FOLLOWS:

SECTION 1. That the accompanying statements and exhibits attached to this Resolution as Schedules A, B, C, D, E, F, and G are incorporated herein by this reference, and are hereby adopted as the tentative budget for the Flagstaff Downtown Business Improvement and Revitalization District for the fiscal year 2020-2021.

SECTION 2. That the District Clerk be, and she hereby is, authorized and directed to publish in the manner prescribed by law the estimates of expenditures as set forth in Schedules A, B, C, D, E, F, and G together with a notice that the District will meet on June 9, 2020, for the purpose of a final hearing of taxpayers and for the adoption of the 2020-2021 Annual Budget for the Flagstaff Downtown Business Improvement and Revitalization District and related tax levy.

PASSED by the District Board of the Flagstaff Downtown Business Improvement and Revitalization District this 26th day of May, 2020.

Chairman

ATTEST:

District Clerk

APPROVED AS TO FORM:

Attorney for the District

ATTACHMENTS:

SCHEDULE A
SCHEDULE B
SCHEDULE C
SCHEDULE D
SCHEDULE E
SCHEDULE F
SCHEDULE G

OFFICIAL BUDGET FORMS

Flagstaff Downtown Business Improvement and Revitalization District

Fiscal Year 2021

Flagstaff Downtown Business Improvement and Revitalization District

TABLE OF CONTENTS

Fiscal Year 2021

[Resolution for the Adoption of the Budget](#)

[Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses](#)

[Schedule B—Tax Levy and Tax Rate Information](#)

[Schedule C—Revenues Other Than Property Taxes](#)

[Schedule D—Other Financing Sources/\(Uses\) and Interfund Transfers](#)

[Schedule E—Expenditures/Expenses by Fund](#)

[Schedule F—Expenditures/Expenses by Department \(as applicable\)](#)

[Schedule G—Full-Time Employees and Personnel Compensation](#)

**Flagstaff Downtown Business Improvement and Revitalization District
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2021**

THE FINAL OPPORTUNITY FOR PUBLIC INPUT ON THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT BUDGET WILL OCCUR ON JUNE 9, 2020 AT 10:00 A.M. DUE TO THE COVID-19 PANDEMIC DISTRICT MEETINGS MAY BE HELD VIRTUALLY, PLEASE REFER TO THE POSTED AGENDA FOR HOW TO ATTEND THE MEETING AND SUBMIT COMMENTS

The budget may be reviewed at the City of Flagstaff City Hall in the City Clerk's Office, 211 W. Aspen Avenue, Flagstaff AZ 86001
or at the website: <http://downtownflagstaff.org>

Fiscal Year	S c h	FUNDS							
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2020	E	1	0	227,500	0	0	0	0	227,500
2020	E	2	0	199,650	0	0	0	0	199,650
2021		3		100,363					100,363
2021	B	4	0						0
2021	B	5		155,934					155,934
2021	C	6	0	35,308	0	0	0	0	35,308
2021	D	7	0	0	0	0	0	0	0
2021	D	8	0	0	0	0	0	0	0
2021	D	9	0	0	0	0	0	0	0
2021	D	10	0	0	0	0	0	0	0
2021		11							
LESS:									0
									0
									0
									0
2021		12	0	291,605	0	0	0	0	291,605
2021	E	13	0	220,050	0	0	0	0	220,050

EXPENDITURE LIMITATION COMPARISON

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

	2020	2021
1	\$ 227,500	\$ 220,050
2		
3	227,500	220,050
4		
5	\$ 227,500	\$ 220,050
6	n/a	n/a

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Flagstaff Downtown Business Improvement and Revitalization District
Tax Levy and Tax Rate Information
Fiscal Year 2021**

	2020	2021
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	155,934	155,934
C. Total property tax levy amounts	\$ 155,934	\$ 155,934
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) Current year's levy	\$ 155,934	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ 155,934	
C. Total property taxes collected	\$ 155,934	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate	1.6637	1.5795
(3) Total city/town tax rate	1.6637	1.5795
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District
Revenues Other Than Property Taxes
Fiscal Year 2021**

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
SPECIAL REVENUE FUNDS			
Intergovernmental	\$ _____	\$ _____	\$ _____
Payment in Lieu of Taxes	35,617	35,617	35,158
Interest Income	500	500	150
	<u>\$ 36,117</u>	<u>\$ 36,117</u>	<u>\$ 35,308</u>
Total Special Revenue Funds	<u>\$ 36,117</u>	<u>\$ 36,117</u>	<u>\$ 35,308</u>
TOTAL ALL FUNDS	<u>\$ 36,117</u>	<u>\$ 36,117</u>	<u>\$ 35,308</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2021**

FUND	OTHER FINANCING 2021		INTERFUND TRANSFERS 2021	
	SOURCES	(USES)	IN	(OUT)
SPECIAL REVENUE FUNDS				
None	\$ _____	\$ _____	\$ _____	\$ _____
Total Special Revenue Funds	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL ALL FUNDS	\$ _____	\$ _____	\$ _____	\$ _____

**Flagstaff Downtown Business Improvement and Revitalization District
Expenditures/Expenses by Fund
Fiscal Year 2021**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
SPECIAL REVENUE FUNDS				
Revitalization District	\$ 227,500	\$	\$ 199,650	\$ 220,050
Total Special Revenue Funds	\$ 227,500	\$	\$ 199,650	\$ 220,050
TOTAL ALL FUNDS	\$ 227,500	\$	\$ 199,650	\$ 220,050

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District
Expenditures/Expenses by Department
Fiscal Year 2021**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
Revitalization District				
Special Revenue Funds	\$ 227,500	\$	\$ 199,650	\$ 220,050
Department Total	\$ 227,500	\$	\$ 199,650	\$ 220,050

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Flagstaff Downtown Business Improvement and Revitalization District
Full-Time Employees and Personnel Compensation
Fiscal Year 2021**

FUND	Full-Time Equivalent (FTE) 2021	Employee Salaries and Hourly Costs 2021	Retirement Costs 2021	Healthcare Costs 2021	Other Benefit Costs 2021	Total Estimated Personnel Compensation 2021
SPECIAL REVENUE FUNDS						
Downtown Revitalization	None	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Special Revenue Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL ALL FUNDS		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT & REVITALIZATION DISTRICT

PROPOSED BUDGET 07/01/2020 - 06/30/2021

	FY2019 Actuals	FY2020 Year End Estimate	Proposed FY2021 Budget	
REVENUE BUDGET				Notes
Property Owner Tax Assessments	\$ 150,531	\$ 155,934	\$ 155,934	a
Municipalities Payments in Lieu of Tax	34,772	35,617	35,158	b
Contribution/Grant	-	-	-	c
Interest Income	1,219	600	150	
Carryforward (Fund Balance)	94,538	107,862	100,363	
Total Income	\$ 281,060	\$ 300,013	\$ 291,605	
EXPENDITURE BUDGET				Notes
Management & Administration	\$ 158,500	\$ 176,500	\$ 176,500	d
Professional Services	13,206	10,500	10,700	e
Overhead	1,492	2,650	2,850	f
One Time Infrastructure Project	-	10,000	-	g
Contingency	-	-	30,000	
Total Expenditures	\$ 173,198	\$ 199,650	\$ 220,050	
Balance	\$ 107,862	\$ 100,363	\$ 71,555	

NOTES

- a) Annual property tax assessment revenues
- b) Annual in lieu of tax assessments from City of Flagstaff and Coconino County
- c) Contribution from another government or grant
- d) Management Service contract
- e) Monthly bookkeeping, clerk & treasurer, required annual accounting audit, legal counsel
- f) Professional dues, insurance, bank fees, etc
- g) One time Infrastructure costs (cost of construction, installation etc)

FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT & REVITALIZATION DISTRICT

PROPOSED BUDGET

	FY2019 Actuals 07/01/18-06/30/19	FY2020 Budget 07/01/19-06/30/20	FY2020 Year End Estimate 07/01/19-06/30/20	Flat Revenue FY2021 Budget 07/01/20-06/30/21
INCOME				
BID Property Owner Tax Assessments	\$ 150,531	\$ 155,934	\$ 155,934	\$ 155,934
City of Flagstaff (in lieu of tax assessment) July	9,422	9,895	9,895	9,863
Coconino County (in lieu of tax assessment) July	25,350	25,722	25,722	25,295
Interest Income	1,219	500	600	150
Carry Forwards	94,538	106,798	107,862	100,363
Total Income	\$ 281,060	\$ 298,849	\$ 300,013	\$ 291,605
EXPENSES				
Management (Administration)	\$ 158,500	\$ 181,600	\$ 176,500	\$ 176,500
Overhead				
Dues/Subscriptions (e.g. International Downtown Association)	-	450	450	450
Insurance (property, liability, worker's comp.)	1,492	1,800	1,600	1,800
Advertising (newspaper)	-	600	600	600
Overhead	1,492	2,850	2,650	2,850
Professional Services				
Contract Clerk & Treasurer	3,256	3,500	3,500	3,500
Bookkeeping	622	1,400	1,200	1,200
Accounting (annual audit)	5,500	5,650	3,300	3,500
Legal Counsel (board meetings, issues, heritage square legal review)	3,828	2,500	2,500	2,500
Professional Services	13,206	13,050	10,500	10,700
One Time District Formation Related Expenses				
One Time Infrastructure Project	-	-	10,000	-
One Time District Formation Related Expenses	-	-	10,000	-
Contingency		30,000		30,000
Total Expenses	\$ 173,198	\$ 227,500	\$ 199,650	\$ 220,050
Net Income/Carry Forward	\$ 107,862	\$ 71,349	\$ 100,363	\$ 71,555
Minimum Fund Balance (25% of Ongoing Revenues)				\$ 47,811