

DOWNTOWN FRESNO PARTNERSHIP

Board of Directors

December 13, 2023
3:30 P.M. – 5:00 P.M.

TW Patterson Building
2020 Tulare St

MINUTES

Present: Conrad Moore Jr, Councilmember Miguel Arias, Sevak Khatchadourian, Toni Tinoco, Derek Franks, Mayor Jerry Dyer, Phil Kliewer, Mario Gutierrez, Jayni Wong

Absent: Paul Nerland, Tyrone Roderick Williams Richard Caglia, Edward D. Fanucchi, Scott Anderson

Staff: Elliott Balch, Gloria Valdovinos, Lara Agulian

Public and Guest: Lupe Perez, Nora Monaco, David Williams

I. Call to Order/Establish Quorum **Wong**

Call to order at 3:36 p.m.

III. Approval of Agenda (*action*) **Wong**

Councilmember Arias motioned to approve, seconded by Wong, motion approved unanimously.

IV. Approval of October 18, 2023 Minutes (*action*) **Wong**

Councilmember Arias motioned to approve, seconded by Tinoco, motion approved unanimously.

V. Public Comment

Nora Monaco is present along with DFP bookkeeper David Williams.

VI. Financial Review (*action*) **Balch**

Balch put a memo together for the financials for the year to date and the budget proposed for next year. DFP is in good shape and looking at the balance sheet shows our good position. The bulk of our revenue comes from assessments. In terms of our profit and loss, we are ahead of budget. We had budgeted income of about \$903k and an actual income of \$1.1M so far. This includes the \$507k that was given to us in 2022 but was an early payment of assessments by the City. We are thinking of that as this year's income.

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We did have event revenue that was higher than expected. We had higher sponsorship support. Some in the room were part of that and we appreciate it. We did have higher than budgeted PBID assessment revenue if you do include the 2022 overpayment. We had grant contract revenue that was not budgeted or anticipated. We also had \$71K lower expenses that contributed to our budget outperformance. We saved on marketing by not hiring a marketing firm like JSA and instead doing the marketing in-house without loss of the level of quality. The growth in followership and engagement on social media platforms is proof. We had budgeted for signage and banners, but we were not able to focus on that this year. We do have new signage coming in for our new office. We have reduced payments to Mid Valley for servicing street cans. Since the City Ambassadors have come on board, we have been sharing the burden of taking care of the street cans. We are also paying less for solid waste at our new office than we were paying before.

In comparison to last year at this same time, we do have higher expenses this year. Salaries, dues and subscription costs, and additional bookkeeping costs are the main reasons for this. We are working on building more systems internally. Though on net we have an increase, we do have decreases in certain areas. The marketing cost was the main thing there. Williams stated that he and Balch have looked over this numerous times and feel good about it.

Councilmember Arias motioned to approve, seconded by Moore, motion approved unanimously.

VIII. 2023 Budget Presentation (*Action*)

Balch

Balch is unfamiliar with the process that has gone into the budgets into the past. Balch and David worked together to create this. In talking with the CPA, we hadn't grown to the point where it felt necessary to audit DFP. Balch wants to put us in a good position to be audited and have those systems in place. We want to match what the management plan states for our PBID assessments funds, which is 35% for clean and safe, 28% for economic enhancements, 6% for Fulton activation, 22 % for management and administration, and 9% for contingency/reserve. This is broken down in the 2024 budget. Balch had a call with the finance person and Downtown Sacramento as the oldest PBID in the state and this is the approach that they use as well. They also explained how they used Quickbooks so we are thinking of changing our approach there as well.

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2020 Tulare St

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When looking at our income, 57% of the total is assessment revenue. We have grant and contract revenue that is anticipated for 32%. Operating revenue is mostly from events and investing cash assets. The PBID assessments had been a higher percentage value over the last two years, so we are happy to build out more diversified revenue to the organization. We received the Kresge Foundation grant for \$300,000 over two years. The budget includes anticipated contract revenue. There is a City RFP that is out for the ambassadors. We did just get another extension on our proposal for that, but we are still anticipating it for six months of 2024. We do also have a couple of small contracts with the County for services. These diversified revenues align programmatically with our organization's different functions.

PBID Resource Leverage is a ratio between our total expenses per column and the PBID assessments that come in per column. This tells the taxpayers what we are doing with the resources they entrust to us.

Perez noticed that there is a difference between the amount listed for the anticipated City contract for the ambassadors of about \$33,000. Balch will sit with Perez to update this.

On the expense side, payroll comprises the bulk of what we do at 70%. Programs were separated from personnel in the past, but the reality is that the office staff account for a lot of the work being done in each category. We now have the ability to more easily track the positions by functional class. This will help reflect what the management plan requires. Non-event expenses include running our office and supplies needed for our programs. The event expenses, the cost of goods sold, comes in at \$88,000. Then we have consultants for contracts for \$1,000 in case that is needed.

We have a net change that is about the same size as the contingency line. It is conservative. We used actual numbers from 2023 to build the 2024 budget.

Councilmember Arias asked about events. He took the Christmas Parade for example, and wanted to know the cost and if it is a financial loss for DFP. Balch answered that we are net positive for the Christmas Parade because we were able to get more sponsorships this year. We are still waiting on the coverage for the cost of the traffic control plan, which Mayor Dyer and Councilmember Arias confirmed is the City's responsibility to cover. Mayor

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Dyer mentions that the City sets aside \$350k for special events for grandfathered events like the Christmas Parade. Councilmember Arias followed up by asking if all DFP's events are net positive across the board. They are not all net positive. The Fulton Street Party was under \$36,000, but Fiestas Patrias, with City support, largely reversed that. Councilmember Arias sees the Christmas Parade as an event with city-wide benefits that the City asks us to host. With that in mind, he mentions DFP getting a 10% administrative coverage for hosting to at least not come up under with that event. This is something Balch and the Councilmember will talk about.

Khatchadourian was interested to know more about the grants and contracts. That information is on the third page of the budget. \$148K will come from the Kresege grant in 2024 as it is being delivered quarterly over two years. Balch mentions that the Kresege Foundation will have their board meeting in Fresno from March 5-7. There is an anticipated City contract for the ambassadors. There is a contract with the Fresno Area Hispanic Foundation as part of the Façade grant. Mayor Dyer asked for more information on the FAHF contract. FAHF got the contract from the City as the grantor for the Façade grant. Then we contracted with FAHF to provide technical assistance to the downtown businesses applying to the grant. Chinatown was another contractor with FAHF for the Façade grant.

Khatchadourian asked if we have a grant writer. As of now, it is Balch himself. Balch does foresee that more people will want to support us, which can lead to expanding out and hiring for that position. Mayor Dyer also mentions that if there is an enticing grant, we can always contract a grant writer for that one. Balch mentioned that Rowell Reyes, who was an ambassador with DFP, has been reassigned to a new position involving resource development. Balch is still working on Reyes' new role and grants and data are part of it. Mayor Dyer mentions that if we were to contract anyone, we should go with Karen Sivas. Khatchadourian mentioned that consultants work on a percentage so there wouldn't be much to lose. Balch said that another thing we are trying to put in place is a working agreement with DFP as our 501c3 leg. DFP is a 501c6, but most grants need to go to a 501c3, so we want to be ready to receive one at any time.

Perez asked how closely we work with the Fresno Visitors Bureau. We have been working with them more lately. Perez wondered if there is more of a financial partnership we could have with them sponsoring our bigger events. Balch said that they operate similar to us as a

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TBID whose revenue comes from hoteliers. If we can show the Visitors Bureau that there is hotel traffic to our events, like the Christmas Parade, then we can possibly get sponsorships from them. We are working on getting those data points.

Mayor Dyer asked about the contracts with the County. One contract deals with the Needle Exchange with the Public Health Department. We will survey the area around the Public Health building to see and track the impact of the program. The other \$20,000 contract is with the Behavioral Health Department. We still need to have a meeting with them to scope this contract out. We want to draw more County dollars downtown. We will help Behavioral Health understand where people go to find resources from the ground level. It is a start to make sure the Continuum of Care actually reaches downtown. We only have us with our ambassadors out there and we do not see help.

Councilmember Arias mentions that now we call PD when we encounter homeless people. There is no County government building for people to walk into and ask for help or resources. Mayor Dyer asked what our ambassadors do. We get calls from property or business owners who have people trespassing or camping. We don't have legal authority to do anything, but we don't have resources either. There is nowhere to send or direct them. We call 311 and business owners know about 311 as well. Perez mentioned that the City ambassadors also go through light training through HART, Homeless Assistance Response Team, when they are hired, but are not fully trained to deal with someone who is belligerent. Khatchadourian mentioned that the ambassadors are on during the day, but most of the homeless activity happens at night, especially as they try to keep themselves warm in the winter with fires. Fresno's default responders to homeless calls are police. We don't have a mental health team through the County who can respond as of now, though the City has tried with HART. Mayor Dyer mentioned that there is a sergeant and seven officers on the HART team and 20 outreach workers. They do have seven days a week coverage, but they don't have enough people to cover both day and night shifts. They are strongly considering adding more officers to the HART team to be able to respond to calls at night. This way, it goes through HART and not just PD as whole. The downtown policing unit and bicycle police are looking to be doubled by January.

Perez mentioned that in other cities like San Antonio, homeless shelters have a van you can call that will pick people up. There was discussion of the Continuum doing this in Fresno, but it never got off the ground because the County does not have an intake center. As of

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now, HART can take people to motels, but that is all City funded, not by the County. Mayor Dyer would like to know who the homeless people are by name. If we can figure out how many there are, who they are, and what they need, we can get them the help we need and work with the County. Initially we will find out who is doing the work and where do people get sent. We would like to leverage the fact that we are downtown every day. Both City and DFP ambassadors do encounter homeless individuals daily and do share care packets and information with them. The contract would fund supplies for care packets as a way to correspond. Brian Kelly with DFP has been really great at these interactions.

Mayor Dyer mentioned that the City has done a pilot program with the County and identified the top 25 frequent fliers who were taking up ambulance calls, hospital beds, and more. Behavioral Health outreached to them every day with medication, and they eventually got off the streets. This cycle continues, but now without as much support for those individuals. We have to get this going in downtown again and get this addressed. Councilmember Arias mentioned that the hospital is paying Ubers to take homeless individuals to Poverello. Other cities and counties also bring their homeless to Poverello. Tinoco asked if there is any liability with having ambassadors do this kind of outreach as they are not social workers. There is for the City ambassadors, but they will not be part of this contract. We will not have DFP ambassadors do full interviews with homeless individuals. It is a very basic check of seeing who the frequent fliers are and where they stay. We do want to get County Behavioral Health to do their part in downtown. As of now, Balch mentioned that they have no concept of a strategy for downtown. Perez mentioned that the County is on the DFP board and asked when they last attended a meeting. Paul Nerland is the member, but he hasn't attended in a while. He did send a representative two meetings ago.

Councilmember Arias motioned to approve the budget, seconded by Mayor Dyer, motion approved unanimously.

Treasury Strategy (*Action*)

Balch

Conversation around Treasury strategy started with DFF as they received the Kresege grant dollars. DFP anticipates that by end of year, we will have a balance in our Wells Fargo checking of about \$400k and in our savings of about \$50k. We also have a money market at United Security Bank with about \$250k. The yields of all average out to about .15%.

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This is significantly below market. We should be investing those dollars at a higher yield. Balch asked a variety of community banks what they would offer in money markets and CDs. We recommend putting \$250k into a 6-month CD at Bank of the Sierra with a 5.25% APY and another approximately \$250k to a money market at Valley First Credit Union with a 5% APY. Valley First is based in the North Valley and expanding in Fresno. They gave references being Stanislaus Community Foundation and a community housing nonprofit who spoke highly of them. They also provide added coverage of insurance over the \$250k federal insurance. Councilmember Arias asked why we are going with multiple financial institutions. We discussed this at the Executive Committee meeting as well. There was a thought to not have all our eggs in one basket. Moore agreed that anything 5% and over is aggressive and should be taken. Balch also consulted with Dennis Woods who is a founding member of DFP and is at United Security Bank and he also agreed that we should take 5% liquidity if we can get it.

Councilmember Arias motioned to approve the motion, seconded by Mayor Dyer, motion approved unanimously.

X. Nominating Committee/2024 Board of Directors Update **Balch**

Balch shared the election results. We had the reelection of Gutierrez and Kliewer. We have six new board members being Dr. Carole Goldsmith from SCCCD, Nora Monaco, Tate Hill from Access Plus Capital, Victor Negrete from Downtown Barber Shop, Ana Lilia Patino de Alba from Los Panchos, and Tony Sanders who is on the Warnors Theatre Board. Balch also thanked Anderson and Fanucchi as they term out after six years on the board. We have a thank you gift for them, which we will get to them as they are not in attendance today. Balch also thanked our Nominating Committee, Councilmember Arias, Tinoco, Khatchadourian, Franks, and Perez for their service. Balch has talked to the new board members and is excited at the level of enthusiasm and involvement.

XI. Officer Elections (Action) **Balch**

Balch has been talking to board members to gauge if they would be willing to serve as officers. Kliewer and Wong are willing to continue to serve as officers. There are four positions being Chair, Vice Chair, Secretary, and Treasurer. Gutierrez asked what the added time commitment would be. Balch answered that there is the Executive Committee,

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2020 Tulare St

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which is made up of the officers. These take place about a week before the Board meetings, so it is still every other month. We have had a couple of cases where we needed an extra meeting this year. On top of the four positions, the Chair appoints two more officers to make up and Executive Committee of six members. We have been down a few this year as we had resignations from the board for varying reasons.

Councilmember Arias would like to see younger members as officers, those who actually attend events downtown, along with those who have financial stakes downtown. Klierer loves seeing the board meetings back in person with everyone engaged. All four need to be designated for the next year. This would be a nomination and self-nomination process. The board would love to see Monaco as an officer. 2024 will be her first year on the board and she would rather take a year to familiarize herself with our processes before she serves as an officer. Gutierrez asked if there is a document that explains the responsibilities as he wants to make sure he is fulfilling them. There isn't at this time, but it would be a good thing to have. They Bylaws to do state some things.

The nominations are Klierer as Chair, Tinoco as Vice Chair, Wong as treasurer, and Gutierrez as Secretary. As Chair, Klierer will appoint two other officers at a later time.

Councilmember Arias motioned to approve the motion, seconded by Moore, motion approved unanimously.

XII. CEO/President's Report

Balch

Balch mentioned that a lot of the big stuff was already discussed throughout the meeting. One thing he touched on was a retail strategy for downtown. In shopping centers, they are able to take a group approach to leasing buildings. We have never had a coordinated approach as downtown and the Fulton district. He feels there is a private sector need and role to play in organizing the group of spaces for a group of retailers. This should be part of the residential conversation as well. DFP's role as an organization is growing and we are going to be in a position where we can take on bigger problems in addition to our day-to-day tasks. Mayor Dyer mentioned that the goal for the City is to do a request for qualifications from entities that have the experience and ability to do a bigger study of our downtown. The study would look at market research in terms of what business would be most suitable specifically for downtown Fresno. He knows that this cannot be done without

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December 13, 2023
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TW Patterson Building
2020 Tulare St

MINUTES

involving DFP. Whatever entity is selected for that, DFP has to be part of it. It is also asset mapping, so we minimize chance of displacement. Displacement means we do not want to offend any culture or group of people that feel they have ownership of an area with the changes. We need to look at the history and respect that.

Balch just quickly mentioned that we are doing a Cinco de Mayo event next year, the Ice Rink is coming back, and there are arts grants that we are going after. In the interest of time, Balch suggested they move ahead to the closed session.

XIII. Closed Session Regarding Personnel Matters **Balch**

There was no board action reported from the closed session.

XIV. City of Fresno Update **Mayor Dyer**

This was touched in throughout the meeting and no other update was given.

XI. County of Fresno Update

No County representatives were present.

XIV. Adjournment – 5:13pm **Kliwer**

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