

Downtown Fresno Partnership

Executive Committee

Friday, November 3, 2023
9:30am – 10:00am

Downtown Fresno Partnership
2020 Tulare St

Minutes

- **Present:** Jayni Wong, Phil Kliewer, Scott Anderson
- **Absent:**
- **Staff:** Elliott Balch, Lara Agulian, Gloria Valdovinos
- **Public:**

I. **Call to Order** – Meeting was called to order at 9:33am Kliewer

II. **Approval of Agenda (*Action*)** Kliewer

Motion made by Kliewer, Wong second, motion approved unanimously.

III. **Public Comment**

No public in attendance

IV. **Approval of DFF and DFP Agreement (*Action*)** Balch

Balch shared the agreement document with the committee. The Kresge Foundation grant dollars have come in already to DFF and that is what this agreement is for. There was a budget identified in the proposal. To Balch's knowledge there has not been much documentation about when money transfers from DFF to DFP. Balch wants to get to the point where at least DFP is able to get audited, especially as we grow and get more funding sources. Having good documentation behind how money is transferred is good. Balch has done fiscal sponsorship agreements and handled grants in the past, so this feels familiar for Balch to do. This is a charitable project from the perspective of the Kresge Foundation, a private foundation. They have to disperse 5% of their assets every year to public charities. This agreement established our role in the charitable project, as we will be staffing it. It is two years, meaning eight quarters, and the total dollars are \$299,000. In the proposal, \$40,000 is for administration overhead. Balch is proposing to leave \$3,000 at DFF as a leave-behind. We do all the staffing for DFF so there is no need for the usual 5-10% that fiscal sponsors usually get. If we leave the \$3,000 there, that leaves \$296,000, which divides by eight as \$37,000 a quarter that we would transfer from DFF to DFP. DFP will manage the project, keep track of the dollars, and prepare the reports that go back to the Kresge Foundation. Two reports are needed, one at the end of September 2024, and a final report at the end of November 2025.

Anderson commented that a lot of thought and work went into this draft. He wondered if an attorney drafted this or if Balch did this himself. Balch worked on this himself and it was familiar to him, but we could have an attorney look at it. Anderson mentions that with the liability DFP would be under, it would be a good idea to have an attorney look at the agreement, even if there is an incurred cost there. Since we plan to get more grants in the future, it would be helpful as well and Anderson just wants us to be careful. Balch said that one of the ways that we support DFF is that we add them as insured under DFP insurance. We do have the coverages in terms of liability of a certain kind, but liability of project outcomes might be a little different. There are principals embedded in the agreement, which from the funders perspective, they need to be able to ensure that the ownership of the funds fully transfers to the public 501c3 charity. This may be why DFP is seeing a lot of liability. Balch is happy to reach out to attorney Jeff Jake, an expert in nonprofit law, and get his thoughts on the agreement. Anderson also suggested an attorney who works at the same practice as Jake.

The grant process has started and there is a DFF meeting on Wednesday. Balch does feel comfortable proceeding as he has worked with both attorneys for years on these things but does respect that the committee would like a second read. He will reach out today and see if there is an opportunity for an hour or two of consultation. Balch mentioned that he wants to have a board retreat early next year to take stock of things and talk about strategy. A big picture thing for the future would be to have an actual operating agreement with DFF since there is a lot that is only assumed on how we work together that is not documented anywhere. Balch has already drafted that agreement as well and is talking to DFF about it. Balch wants to bring that to DFP as well, which could encompass the kinds of things in this current agreement. Balch has reached out to peer downtowns for examples of their operating agreements. The CFO of the Downtown Boston Partnership said that new downtown organizations in Massachusetts are actually incorporating as 501c3 under the reasoning that they are reducing the burdens of government, which is a criterion for being a 501c3. There is reasoning behind us being a 501c6 as we are a business association, but if we want to diversify into grant funding in a less cumbersome way, we can see if we have the right structure for to be a 501c3 and talk about that. Kliewer believes it makes sense to explore that, but Balch would just want to make sure it is worth it to change so this would be a larger conversation. Kliewer does want to make sure that DFF and DFP work in conjunction with each other. Balch mentioned that the only on-paper connection between the two is that with his position, he is on their board.

Bank of America has a Leader on Loan program where the bank will pay for 12-18 months of someone's salary, who is employed at the bank, but gets loaned to a charity organization. DFF is pushing to be part of this program for a funded director position. Balch has been the minority in saying that before this, DFF should grow the functions of what we are all able to do together, such as the work the Kresge fund will allow us to do that is outside of our normal scope.

Balch proposes that he reach out to Baker, Manock, and Jensen, which is where both attorneys mentioned practice, and see if one of them can look it over. Balch will then get that revised version back out to the committee. Balch wants to work on documented protocols on when things should be brought to the board or executive committee. It is not always clear. Kliewer agrees that having this documentation is preferred as there is liability on DFP. Balch agrees and

is looking to become auditable. The committee is willing to approve it so long as it reviewed by an attorney. The action is approving the agreement provisional to getting some consultation and making edits based on that. DFF hasn't seen it yet, but they may have changes as well as they also need to approve it. Anderson says this timeline makes sense. Balch purposefully brought it to DFP first. Kliewer asked if this agreement will be brought to the full board. Balch says that is up to this committee, but the Bylaws do state that the executive committee can take final action. Anderson mentioned that the Board had approved the concept in the last board meeting and tasked Balch with putting it together.

Motion made by Kliewer to approve based on the understanding that Balch will have it reviewed by an attorney and negotiate with DFF, Wong second, motion approved unanimously.

V. Board Open Discussion

No comments were made.

Adjourn – The meeting adjourned at 9:55am.

Kliewer

DOWNTOWN FRESNO PARTNERSHIP

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