

## LANCASTER DOWNTOWN INVESTMENT DISTRICT AUTHORITY

August 26, 2015

### Quorum

Meeting called to order at 12:00 noon by Vice Chairman, Dennis Cox.

Members present: Dennis Cox, Christine DiRienzo, Nancy Neff, Mort Nierenberg, Randy Patterson, Scott Standish, and Mark Stoner

Staff: Marshall Snively, Executive Director  
Bill McCarty, Solicitor  
Toby Vargas, Assistant

### Introduction of Public Guests

David Aichele and Sharon Moore from Lancaster City Alliance were present.

### Minutes

Motion by **Nancy Neff**, second by **Randy Patterson** to approve the May 27, 2015 minutes. Motion approved.

### FY14-15 Audit Presentation

Mr. Cox introduced Carol Roland from Trout, Ebersole, & Groff, LLP. Ms. Roland conducted the FY14-15 audit and presented the findings to the Executive Committee on July 22<sup>nd</sup> where they were approved in order to meet the required July 31<sup>st</sup> filing deadline. Ms. Roland was invited to then share the findings with the DID Board of Directors. Ms. Roland explained that new for this audit was the comparative statement that reflected three years of data. She then reviewed a packet of slides that were prepared specifically for the Board to demonstrate the FY14-15 financial activity. Ms. Roland noted that because of the millage rate increase that occurred for FY14-15 the assessment collection had increased by approximately \$11,500 while the value of assessments was lower than the year before. She also noted that the increase in the contributions was due to the additional discounts provided by the legal and audit firms.

Ms. Roland then reviewed the expenses for FY14-15. An increase in expenses was noted in the category of Safety due to the new contract with Block By Block entered into May 2014. As a result of the same contract there was also a decrease in the Appearance line item. Marketing exhibited an increase as well because of additional financial commitments to the Merchants Committee. The organization ended the year with a net position of \$183,022. This was an increase of almost \$30,000 over the year before. Ms. Roland informed the Board that the Reserves now hold about 5 ½ months of expenses or 46% of the DID budget. She noted that a minimum of three months should be held in Reserves and that having over six months would likely be out of line compared to other similar organizations.

The Board briefly discussed the Reserve balance and recognized that they should make decisions on how to reinvest the funds back into the District in order to maintain a healthy reserve as well as support the DID mission.

### Financial Reports – May 2015 through July 2015

Mr. Snively asked Ms. Vargas to report out on the financial statements provided in the Board packet. Ms. Vargas reported that the financial statements reflected a net income of \$3,094 which is lower than expected. This shortfall was due in part from the low amount of assessments that were received in the first quarter. After the release of the financial statements in the Board packet, Ms. Vargas and the City of Lancaster Treasurer's office determined that a check in the amount of \$181,349.73 for June payments had not been received. This check was prepared by the City and has been received by the DID office before the scheduled Board meeting. Receiving this payment has now placed the schedule of received assessments back on track. Ms. Vargas also noted on the expense side that the financial statements reflected four months of payments to the management agreement and the clean and safe vendor, Block by Block. Mr. Snively then noted that the line items Prior Year's Assessments (4005) and Interest & Penalties (4001) have exceeded budget as property owners have been paying outstanding liens.

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Motion by **Randy Patterson**, second by **Mark Stoner** to approve of the financial statement from May 2015 through July 2015 and to approve checks numbered 3943 through 3976 which were written between May 2015 and July 2015. Motion approved.

### Old Business

Mr. Snively then updated the Board on the latest recruitment activities. At the last Board meeting, Crystal Weaver of Prince Street Café was nominated to the Board replacing Bob Ramsay. Ms. Weaver has agreed to join the Board if approved by the Mayor and City Council beginning January 1, 2016. A letter has been sent to the Mayor's attention requesting his approval to present Ms. Weaver to City Council.

Mr. Snively then asked Ms. Vargas to present the list of tax exempt properties to the Board. The list of 26 property owners was provided in the Board packets. Ms. Vargas asked the Board to review the list and reminded the members that at the May 25<sup>th</sup> Board meeting a discussion took place that concluded with their approval of personally signing letters to these property owners requesting a payment in lieu of assessment. The list was passed around the room and Board members signed up to personalize letters. Ms. Vargas informed the members that the letters would be prepared and each member would be contacted in the second week of September to sign. As contributions then come into the office, Ms. Vargas will share the information with the Board members so they can also personally thank the property owners.

Mr. Snively then provided an update on the ***Building On Strength Economic Development Strategic Plan for the City of Lancaster***. He noted that the plan was released to the public on June 11<sup>th</sup> to a full house at the Ware Center. Since that time, the Lancaster City Alliance staff have been moving forward into implementation. The first of many meetings with Commercial Hubs have taken place as well as an initial meeting with entrepreneurs. The Commercial Hub meetings are intended to keep the community engaged and participating in the implementation. The meeting with entrepreneurs will develop into a forum that occurs at least two times per year. The first forum is expected to take place in November. Mr. Cox asked if the DID will be asked to do anything in the Plan or do anything differently as a result of the Plan. Mr. Snively responded that as the Plan is community-owned there will be a role for DID but right now that role has not been defined.

### New Business

Mr. Snively asked David Aichele of Lancaster City Alliance to update the Board on the Executive Committee's decision on the Beautification line item. Mr. Aichele explained that the Board has approved \$10,000 in the budget for Beautification. The process to determine how those funds are spent began with a meeting with Charlotte Katzenmoyer (City of Lancaster, Public Works) and Tracy Beyl (City of Lancaster, Public Art). Mr. Aichele learned that the City would like to pursue artistic bicycle racks at a cost of \$800 - \$1200. The Lancaster City Alliance has purchased and installed several utilitarian bicycle racks in the Northwest at a cost of \$175 each. Trash receptacles were also considered. They cost about \$1400 each and the City has stated that they do not have the capacity to empty them. The decision of the Executive Committee was to move ahead with two artistic bike racks and assist the City in leveraging funds for additional artistic racks. The Committee also approved the installation of several utilitarian racks and asked Mr. Aichele to go back to the City for approval of two trash receptacles in the expanded area of the District. Mr. Aichele informed the Board that the City has agreed to the two trash receptacles and will also contribute \$800 toward their purchase. The Board then asked Mr. Aichele to offer the bicycle racks to businesses for half price. Mr. Aichele noted that Ms. Beyl had selected 8-10 possible Downtown locations for bicycle racks.

Mr. Snively then moved the Board's attention to Downtown Dollars. He explained that in the past there were discussions about changing the Downtown Dollars from paper to debit card. This idea proved too difficult. There was also a discussion about discontinuing the program however, it is a well-liked program. It was determined that perhaps it was just time to update the program and redesign the Downtown Dollars. Mr. Snively then presented the Board with the draft design for the \$5 and \$10 Downtown Dollars. He explained that the program would not change but distribution would be improved. The Downtown Dollars will soon be sold at Lancaster City Alliance, Lancaster Office of Promotion (Visitor's Center) and online.

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**Executive Director's Report**

Mr. Snively reminded the Board of the upcoming event, Velocity, taking place on September 18 at Tellus360. He reminded the Board that this is a fundraising event that benefits the merchants. He noted that this year 50 stores would be participating in the fashion show. Tickets are still available at [www.velocitylanaster.com](http://www.velocitylanaster.com).

Mr. Snively also reported that he, Randy Patterson, Bill McCarty, and the counsel for City of Lancaster have spent time reviewing the Local Economic Revitalization Tax Assistance (LERTA) and its impact on the DID assessments. They determined that since the DID assessment is not a property tax but a special assessment then LERTA should not be applied. Mr. Snively presented this information at the last Executive Committee meeting where it was decided that the 22 properties currently utilizing LERTA and not paying the full DID assessment can continue to do so for the life of the program (typically a graduated payment over a 7 year period). Effective January 1, 2016 any new properties that are taking advantage of LERTA will not be permitted to include the DID assessment. The Committee, upon Mr. Patterson's recommendation, will also seek the amendment of the LERTA Ordinance when it is up for renewal in 2018 to ensure that special assessments such as the DID are not included. The Board also voted approval of grandfathering current properties and rewording the ordinance by way of a motion by **Nancy Neff**, second by **Scott Standish**.

**Adjourn**

Motion by **Mark Stoner**, second, **Scott Standish** to adjourn. Motion approved and the meeting adjourned at 1:15 p.m.

Respectfully submitted,

Marshall W. Snively  
Executive Director