



PBID Board of Directors Meeting*

Monday, July 9, 2018

1:00-3:00 pm

2nd Floor Chamber of Commerce Meeting Room (on right)**

AGENDA

BOARD MEMEBERS

Tom DiGiovanni
PRESIDENT

David Halimi,
TREASURER

Judy Archer
BOARD MEMBER

Mike McCrady
BOARD MEMBER

Tom van Overbeek
BOARD MEMBER

Melanie Bassett
EXECUTIVE
DIRECTOR

- A. Call to order – President, Tom DiGiovanni
 - 1. Welcome & Introductions
- B. PBID Operations Report – Josh Pitts, Operations Manager
- C. Financials – President, Tom DiGiovanni
- D. Initial Report (first year of operation per City Agreement) – President, Tom DiGiovanni
 - 1. Budget
 - 2. Proposed Rate increase discussion
- E. Establish Regular Meeting Schedule – President, Tom DiGiovanni
- F. Public Comment
- G. Adjourn

****** At the Old Municipal Building that houses the Chamber of Commerce, go up the stairs, take a right and go past the kitchen to the left. The OMB is ADA assessable off of 5th street in the back and also has an elevator to the second floor. Check in with the Chamber staff downstairs if you have any questions.

***** Distribution available in the office of the DCBA

Posted: 7/6/18 prior to 12:00 pm at 330 Salem Street, Chico, CA 95928 and downtownchico.com.

Copies of the agenda packet are available for review at:

The Downtown Chico Business Association, 330 Salem Street, Chico, CA 95928



Please contact the DCBA at 345-6500 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.

Minutes of Regular Meeting
Board of Directors
Downtown Chico PBID, Inc.

July 9, 2018

A regular meeting of the Board of Directors of the Downtown Chico PBID, Inc., a non-profit California corporation was held at the Old Municipal Building Office, 441 Main Street, Chico, CA 95927

Board members present: Tom DiGiovanni, David Halimi, Judy Archer and Tom van Overbeek.

Members absent: Mike McCrady.

Also present were: Melanie Bassett, PBID Executive Director and Josh Pitts, PBID Operations Manager.

DiGiovanni called the meeting to order at 1:03 pm and welcomed everyone. Introductions were given by everyone in attendance.

Agenda Packet was distributed to each member consisting of the meeting agenda, financials (balance sheet, profit and loss statement, transaction detail report from January – June 2018, and a Revenue & Expense Projection sheet vs. Actuals) and the June, 2018 PBID Operations Report.

PBID Operations Report :

- a. Josh Pitts, PBID Operations Manager presented the June 2018 Operations report that included aggregate totals for services provided for the past 7.5 months (mid Nov thru June 30). Josh gave an oral report on Cleaning, Safety and Hospitality Services. The work has focused on improving the downtown experience. The Ambassadors have identified 'hot spot' problem areas. Highlights: Compliance is up with the street population; incidence and size of graffiti is down; with the ongoing parking garage checks and installation of security cameras – break-ins have decreased drastically.

Financials:

- a. DiGiovanni reviewed the balance sheet; the profit and loss statement and the transaction detail report January – June 2018.
- b. DiGiovanni then reviewed the Revenue & Expense Projections vs. Actuals spreadsheet. He reminded the board that we started the PBID two months early to ensure business confidence and success for the holiday season. This created a shortfall along with entities that have not paid their assessment yet. Several strategies to deal with the shortfall were discussed.
- c. DiGiovanni led a discussion regarding whether to recommend an assessment increase for year 2 (2019). After discussion David Halimi made a motion to maintain current rates through 2019.

Tom van Overbeek seconded the motion and everyone was in favor, it passed unanimously.
MSC

Establish Regular Meeting Schedule:

- a. The board discussed a regular meeting schedule and it was agreed upon by all the directors to meet every other month for one hour. In addition, once a year the PBID board would hold an in-depth planning session to evaluate the program progress, opportunities for expanding scope and revenues. Moved by David Halimi and seconded by Judy Archer, passed unanimously. MSC

Public Comment:

- a. There were no visitors present.

The meeting was adjourned at 2:24 pm.

Downtown Chico PBID, Inc.
Balance Sheet
As of June 30, 2018

	Total
ASSETS	
Current Assets	
Bank Accounts	
1001 Checking Account - TCBK	\$230,816.89
Total Bank Accounts	\$230,816.89
Total Current Assets	\$230,816.89
TOTAL ASSETS	\$230,816.89
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	\$33,977.44
Total Accounts Payable	\$33,977.44
Other Current Liabilities	
2310 Line of Credit	\$90,100.00
2400 Deferred Income	\$109,200.92
Total Other Current Liabilities	\$199,300.92
Total Current Liabilities	\$233,278.36
Total Liabilities	\$233,278.36
Equity	
Retained Earnings	
Net Income	(\$2,461.47)
Total Equity	(\$2,461.47)
TOTAL LIABILITIES AND EQUITY	\$230,816.89

Friday, Jul 06, 2018 01:22:01 PM GMT-7 - Accrual Basis

Downtown Chico PBID, Inc.
Profit and Loss
January - June, 2018

	Total	
Income		
3000 Assessment Income	\$300,000.00	
Total Income	\$300,000.00	100.0%
Gross Profit	\$300,000.00	
Expenses		
4710 Office Expenses	\$771.24	0.3%
4800 CGL Insurance	\$1,639.00	0.5%
4830 D&O Insurance	\$608.00	0.2%
5100 Interest Expense	\$3,073.29	1.0%
5220 Hospitality	\$556.39	0.2%
5400 Bank Charges	\$32.00	0.0%
6110 Printing/Copies	\$934.12	0.3%
6310 Prof. Services - BBB	\$270,767.52	90.3%
6320 Prof. Services - Other	\$23,050.00	7.7%
6510 Permits/Fees	\$55.00	0.0%
6800 Office Supplies	\$186.16	0.1%
7030 Utilities	\$740.00	0.2%
Total Expenses	\$302,412.72	100.8%
Net Operating Income	(\$2,412.72)	-0.8%
Other Expenses		
8900 Allocation Expense	\$48.75	
Total Other Expenses	\$48.75	
Net Other Income	(\$48.75)	0.0%
Net Income	(\$2,461.47)	-0.8%

Friday, Jul 06, 2018 01:21:30 PM GMT-7 - Accrual Basis

Downtown Chico PBID, Inc.
Transaction Detail by Account
January - June, 2018

Date	Transaction Type	Num	Name	Memo/Description	Amount
2310 Line of Credit					
01/01/2018	Deposit		TCBK Line of Credit	From DCBA	100.00
01/11/2018	Deposit		TCBK Line of Credit	Cash Advance	15,000.00
01/31/2018	Deposit		TCBK Line of Credit	Cash Advance	75,000.00
03/02/2018	Deposit		Personal Loan	Loan from TGD for BBB	33,977.44
06/20/2018	Bill		Tom DiGiovanni	Repayment of TGD loan for BBB	(33,977.44)
Total for 2310 Line of Credit					90,100.00
2400 Deferred Income					
01/31/2018	Journal Entry	7	Nov-2017	Estimated revenue over 12 months	(37,500.00)
01/31/2018	Journal Entry	6	Dec-2017	Estimated revenue over 12 months	(37,500.00)
01/31/2018	Journal Entry	4	Jan-2018	Estimated revenue over 12 months	(37,500.00)
02/28/2018	Journal Entry	5	Feb-2018	Estimated revenue over 12 months	(37,500.00)
03/31/2018	Journal Entry	1	Mar-2018	Estimated revenue over 12 months	(37,500.00)
04/30/2018	Journal Entry	3	Apr-2018	Estimated revenue over 12 months	(37,500.00)
05/31/2018	Journal Entry	2	May-2018	Estimated revenue over 12 months	(37,500.00)
06/08/2018	Deposit		Net Funds from City Of Chico	"Assessments Nov. 17-May 18"	409,200.92
06/30/2018	Journal Entry	8	Jun-2018	Estimated revenue over 12 months	(37,500.00)
Total for 2400 Deferred Income					109,200.92
3000 Assessment Income					
01/31/2018	Journal Entry	4	Nov-2017	Estimated revenue over 12 months	37,500.00
01/31/2018	Journal Entry	7	Dec-2017	Estimated revenue over 12 months	37,500.00
01/31/2018	Journal Entry	6	Jan-2018	Estimated revenue over 12 months	37,500.00
02/28/2018	Journal Entry	5	Feb-2018	Estimated revenue over 12 months	37,500.00
03/31/2018	Journal Entry	1	Mar-2018	Estimated revenue over 12 months	37,500.00
04/30/2018	Journal Entry	3	Apr-2018	Estimated revenue over 12 months	37,500.00
05/31/2018	Journal Entry	2	May-2018	Estimated revenue over 12 months	37,500.00
06/30/2018	Journal Entry	8	Jun-2018	Estimated revenue over 12 months	37,500.00
Total for 3000 Assessment Income					300,000.00
4710 Office Expenses					
01/01/2018	Bill	Pre 2018	DCBA	Various pre-2018 start-up expense	771.24
Total for 4710 Office Expenses					771.24
4800 CGL Insurance					
06/01/2018	Bill		Philadelphia Insurance	Liability Insurance	1,639.00
Total for 4800 CGL Insurance					1,639.00
4830 D&O Insurance					
06/01/2018	Bill		Philadelphia Insurance	D&O Insurance	608.00
Total for 4830 D&O Insurance					608.00
5100 Interest Expense					
01/18/2018	Check	EFT	TCBK Line of Credit		2.27
02/20/2018	Check	EFT	TCBK Line of Credit		137.14
03/19/2018	Check	EFT	TCBK Line of Credit		916.07
04/18/2018	Check	EFT	TCBK Line of Credit		678.25
05/18/2018	Check	EFT	TCBK Line of Credit		658.80
06/18/2018	Check	EFT	TCBK Line of Credit		680.76
Total for 5100 Interest Expense					3,073.29
5220 Hospitality					
01/01/2018	Bill	pre 2018	DCBA	Various Lunches	88.78
01/01/2018	Bill		Horman & Associates	Hotel room	168.00
01/01/2018	Bill		Horman & Associates	Car rental	163.89
01/09/2018	Bill		DCBA	Lunch	45.72
06/04/2018	Bill		DCBA		90.00
Total for 5220 Hospitality					556.39
5400 Bank Charges					
01/25/2018	Check	EFT	Tri Counties Bank	NSF Fee	32.00
Total for 5400 Bank Charges					32.00

Downtown Chico PBID -- Revenue & Expense Projections vs. Actuals

TABLE #1: ORIGINAL Revenue Projection, per MDP

Assessments	\$440,533	96.2%
Plus General Benefit Factor (City)	\$17,467	3.8%
Total	\$458,000	100.0%

TABLE #2: KNOWN OFFSETS from MDP

Square Footage Adjustments (by PBID)	\$2,827	0.6%
Church Adjustments (by City Council)	\$3,692	0.8%
Deleted Parcels (by City Attorney)	\$8,278	1.8%
Total	\$14,797	3.2%

TABLE #3: EQUALS PBID REVENUE, with Estimated Default Rate

Assessments, Net of Table #2 Offsets	\$425,736
Plus General Benefit Factor (City)	\$17,467
Total Projected Revenues	\$443,203
Less Estimated 2% Default Rate	(\$8,515) 2.0%
Total Projected Revenue 2018	\$434,688

TABLE #4: BBB CONTRACT & DCBA Admin. Expenses

BBB Services Contract	\$407,730
DCBA Mgmt/Office Admin. Budget	\$20,000
Total Estimated Service Costs	\$427,730
Remaining Budget	\$6,958 1.6%

TABLE #5: REVENUE SHORTFALL

Total PROJECTED Revenue - Table #3	\$434,688
Total ACTUAL Revenue - Table #7	\$409,201
Total Reduction	(\$25,487)

TABLE #6: ASSESSMENTS, Less Delinquency

Source	Assessments	Delinquency	Collected	%
Tax Roll	\$350,327.02	(\$1,121.40)	\$349,205.62	0.3%
Handbills	\$75,408.06	(\$6,410.17)	\$68,997.89	8.5%
Total	\$425,735.08	(\$7,531.57)	\$418,203.51	1.8%

Note: EDD/USPS accounted for \$5,760 delinquency, approx. 76%

Note: Collection Differential **(\$651.55)**

TABLE #7: COLLECTED FUNDS, Less 2% City Fee

Total Collected, per City	\$417,551.96
Less: 2% Cost of Collection	(\$8,351.04)
Total Remittance to PBID	\$409,200.92

TABLE #8: UNANTICIPATED COSTS & Revenue Loss

Categories	Add'l Costs	Start-Up Cost
City 2% Collection Cost	\$8,351	
Uncollected General Benefit	\$17,467	
Collection Differential (TBD)	\$652	
Start-up Costs: KLI/Horman		\$8,882
Total	\$26,470	\$8,882

TABLE #9: TARGETED COLLECTION

City of Chico	General Benefit	Sub-Totals
004-241-004	545 Broadway	\$17,467
004-131-004	330 Salem St.	\$1,121
004-241-001	USPS	\$650
004-232-001	CA EDD (4 parcels)	\$2,302
Total		\$24,999
		\$5,760
		\$24,999

TABLE #10: POTENTIAL FUNDS

	Alt. #1	Alt. #2
Actual Funds Transferred to PBID	\$409,201	\$409,201
Potential Additional Funds	\$19,238	\$24,999
Total	\$428,439	\$434,199

Downtown Chico PBID -- Cash Flow, Potential Reduction of Ambassador Hours, Potential Assessment Increase

TABLE #11: CASH ANALYSIS, thru 31-Oct	
6/30 Bank Balance	\$230,817
Less Line of Credit	(\$90,000)
Plus A/R	\$2,500
Equals Cash, Net of Line	\$143,317
BBB Expense Thru 31-Oct.	(\$169,885)
Sub-total Shortfall	(\$26,568)
Plus Potential Funds (Table #9)	\$19,238
Total Projected Shortfall	(\$7,330)

TABLE #12: ADMINISTRATIVE COSTS, thru 31-Oct	
Melanie Bassett	(\$6,000)
DCBA Clerical	(\$2,500)
ATT (Ambassador Base/Office)	(\$450)
Miscellaneous	(\$500)
Estimated Total Admin. Exp.	(\$9,450)

TABLE #13: TOTAL COSTS, thru 31-Dec	
Shortfall w/ Admin Costs	(\$16,780)
BBB November (Est.)	(\$30,837)
BBB December (Est.)	(\$30,837)
Estimated Total thru 31-Dec	(\$78,455)

TABLE #14: Labor Budget/Hourly Labor Cost		
BBB Budget	Labor Budget	Total Budget
Labor	\$280,170	
Benefits	\$24,930	
Labor-Related	\$5,723	
Total	\$310,822	\$407,729
Hours/Week	264	264
# Weeks	52	52
Hours/Year	13,728	13,728
Cost/Hour (est.)	\$22.64	\$29.70

TABLE #15: Effect of Reduced Weekly Hours				
Hours	% Reduc.	2019 Reduc.	Ann. Savings	Mo. Savings
36	13.6%	1,872	\$42,385	\$3,532
32	12.1%	1,664	\$37,675	\$3,140
28	10.6%	1,456	\$32,966	\$2,747
24	9.1%	1,248	\$28,257	\$2,355
20	7.6%	1,040	\$23,547	\$1,962

TABLE #16: POTENTIAL BBB EXPENSE REDUCTION			
Hourly Reduc./Wk.	36	32	28
Current BBB/Mo.	\$33,977	\$33,977	\$33,977
Potential Reduc./Mo.	(\$3,532)	(\$3,140)	(\$2,747)
New BBB/Mo.	\$30,445	\$30,837	\$31,230

TABLE #17: Assessment Increase Alt's.		
Existing Assessment	\$ Increase	Total
Delta	\$4,257	\$429,992
1.0%	\$6,386	\$432,121
1.5%	\$8,515	\$434,250
2.0%	\$10,643	\$436,378
2.5%	\$12,772	\$438,507