



**DOWNTOWN
LONG BEACH
ALLIANCE**

**Executive Committee
Members**

Silvano Merlo, Chair

Alan Pullman, Chair Elect

Debra Fixen, Treasurer

Allison Kripp, Secretary

Tony Shooshani, Past Chair

Ryan Altoon

Loara Cadavona

Debra Johnson

John Keisler

**EXECUTIVE COMMITTEE
MEETING MINUTES**

Thursday, March 5, 2020
8AM
DLBA Conference Room
100 W. Broadway, Suite Long Beach, CA 90802

Voting Present: Silvano Merlo, Tony Shooshani, Loara Cadavona, Ryan Altoon, Debra Fixen, Allison Kripp

Voting Absent: John Keisler, Alan Pullman, Debra Johnson

DLBA Staff: Kraig Kojian, Broc Coward, Austin Metoyer, Cherisse Evans

Guests: Kevin Dickson, Dickson & Vanzant (DLBA Accountant)

1. CALL TO ORDER and INTRODUCTIONS – Silvano Merlo, Chair
Meeting Presentation. Meeting called to order at 8:12 AM.
2. SECRETARY REPORT – Allison Kripp
ACTION: Approve Minutes from February 13, 2020 Executive Committee Meeting. 1st: Altoon. 2nd: Shooshani. None opposed, no abstentions. Motion carries.
3. FINANCIAL REPORT: **Year-To-Date Financials through January 31, 2020** – Kevin Dickson, Accountant
 - PBID revenue is higher than budgeted due to collections in January from the prior year.
 - Parking meter revenue lower than expected due to low August and September collections from prior year. The City batched five months of credit charges into one payment. There are charges connected with credit card payments that DLBA shares with the City. This variance will continue until sometime later in the year when it is expected to level out.
 - Cadavona asked about the revenue from inclusionary housing study sponsorship going into the Sponsorships budget. Kojian explained that the expenses for that study came from the Advocacy budget, revenue collected to offset the costs will be shown in the sponsorship revenue budget.
 - Altoon asked if there was a way to indicate when a budget item is under/over due to timing of collections versus an item being an actual cost-saving. Dickson said he and Coward will take that into consider this for the next financial report.
4. CHAIRPERSON'S REPORT- Merlo
 - A. Governance Committee Report- DLBA Administrative Team
 - The Governance Committee utilized the **Board Member Term History** document to review upcoming open seats for and created an outreach plan to learn who was interested in reapplying for another two-year term.
 - Board Election postcards have been mailed to all stakeholders and will be distributed at committee meetings and through our safety ambassadors.
 - There is a new Board vacancy – the DPIA East Village seat. Jeremy Schott has moved his business and is no longer eligible to serve representing that area. The Board of Directors or the Executive Committee will fill this seat by appointment, which terms end 2021. Schott is eligible for North Pine DPIA, which will be on the slate for the FY 2020-21 as well as both the PBID Residential seat (not on the slate this year) and First Council District Residential Representative(appointment) He plans to reapply. Kojian encouraged the Executive Committee to submit potential candidates to the Governance Committee.

- B. Discussion: Annual Board & Staff Assessment – Merlo and Kraig Kojian
Self-evaluation I:I meetings will be scheduled with each Executive Committee member and our consultant Kena Fuller. Kojian explained that he will work to align the on-going DLBA staff assessment that Fuller also conducted with the EC/Board evaluation. This will lead into creating a new Strategic Plan and better prepare the organization for the upcoming PBID renewal.

5. PRESIDENT AND CEO REPORT – Kraig Kojian

- A. Update Strategic Plan, Review Committee Dashboards and Annual Goals ([Slides 23-27 presented](#))
- B. Study and Review Annual PBID/DPIA Assessment Adjustments for 2020-21 – Austin Metoyer, Economic Development & Policy Manager
- Kojian explained that the focus of today's discussion will be on PBID adjustments as DLBA tends to defer to the City's annual business license fee adjustments (made in June) as a basis from which to adjust DPIA assessments. DLBA staff studies changes in the annual CPI and will make recommendations for assessment adjustments based on that data. There will be a month between today's discussion and the next Executive Committee meeting to review the proposed adjustments. Action will be taken at the April Executive Committee meeting to approve recommended assessment adjustments for 2020-21, which will then be brought to the Board on April 15 for their consideration and approval.
 - Altoon and Cadavona suggested that it is made clear within Operations expenses, which costs are attributed to the current three-year vendor contract (Block-By-Block) and which costs increases are known.
 - Kojian stated that surplus revenue gained from outside contracts are not to be used to cover the basic costs of stakeholders' PBID services. The surplus generated is applied back towards the contract services and special projects. This surplus revenue is unrestricted, whereas the PBID revenue is restricted in its uses.
 - Kojian reminded the committee that the PBID Management plan calls for a 5% cap on annual increases.

After reviewing the examples of various percentage increases (Slides 16-19 presented):

- Metoyer explained that the reason there is a larger delta in the first year of an adjustment than the next year, is due to the last three-months of the PBIDs operating expense calendar year (October-December) is applied to the first three months of DLBAs fiscal year. These examples are showing the same increase year over year, not just the first year.
- Altoon suggests reminding Board members of the two calendars involved: Fiscal year vs calendar year.
- Cadavona suggests adding a column representing a third year (FY 22/23) in the example slides, to show how these proposed increases will affect the organization through the end of the current PBID, prior to a renewal.
- Based on the examples of increased shown, Cadavona feels that a 5% increase would be ideal to cover costs, but as it is higher than CPI 3.07%, calculated from January 2019 to January 2020, it might be difficult to justify to stakeholders.
- Shooshani suggests a 3% increase and utilize surplus revenue from contracts services to cover to the gap. Kojian and Coward explained that because outside contracts are fluid, it is not advisable to rely on that revenue to cover basic service costs.
- Shooshani suggests adding a 3.5% example for comparison to the 3% example.
- The Operations budget includes a full contracted clean, safe and power washing staff seven days a week. Annually, there is a 3-5% variance between staff hours worked versus hours scheduled including call-offs. Budgets are made with the assumption that 100% scheduled hours will be used. Schedules are flexed throughout the year to keep a balanced budget.
- Cadavona noted that no matter what increase the Board approves, the PBID will be operating at a loss. Kojian added that equates to a reduction in services. Cadavona asked if in the past, have PBID annual increases covered costs. Coward says some years it has, and some years in has not. Historically, DLBA has adjusted services depending on costs versus revenue, including the annual increase.

- Altoon suggests showing an example of what services would be lost, based on the gap between revenue and expenses for both the 3% and 5% scenarios.
- Kojian asked if there is any other information they want to see included for next time:
 - Fixen/Kripp want to include as part of the narrative, budget-related results from recent operational efficiencies, specifically what cost savings have occurred.
 - Cadavona wants to include increases going back three additional years, to review trends. Also show budget versus actuals for those past years.
 - Altoon suggested where the dollar amounts are shown at the top to also include what that equates to as a percentage.
 - Merlo wants to see minimum wage increase included in costs so we can clearly see what the expense increases are due to.
 - Several want to see examples of 3.5% and 3.75% increases. Potentially eliminate the 0%, 1 %, 3% and 5% examples for the next Executive Committee, but keep them for the Board meeting in April.

C. Inclusionary Housing Policy Update Review [Planning Commission Recommendations](#)

ACTION: Support the Planning Commission’s recommendations to City Council

The committee tabled this action to allow time to further review the recommendations. Action will be taken at the next Executive Committee meeting on April 2. In the meantime, the following suggestions/comments were made:

- Kojian explained that the reason for taking action is to determine a defined stance on the Planning Commission recommendations to city council; whether to support or suggest added amendments.
- Cadavona asked what metrics will be used to define success. Suggested an annual review of policy, rather than after three years. She also wanted to confirm that all development after the grandfather period will not be part of the evaluation.
- Shooshani asked that the Planning Commission recommendation document include an additional column with Beacon Economics recommendations.
- Altoon asked to have some bullet points under Alternative Compliance and Incentives further defined.
- Cadavona asked if there are statistics available that show the average number of units per building, to better understand how many development projects would be affected by the recommended policy threshold (projects size of 10 units or greater).
- Metoyer asked the committee to come back to the next meeting with examples that would more realistically define the number of units for a project under the recommended policy threshold.

- 6. OLD BUSINESS
- 7. NEW BUSINESS

- The parking lot on the Promenade between Broadway/3rd. has been purchased by Alliance Residential Company and is being fenced and will not be used for parking. DLBA will be meeting with the developers in the near future, as well as adjacent businesses who will be impacted.

- 8. PUBLIC COMMENTS (three minutes on all non-agenda items)
- 9. ADJOURNMENT
Meeting adjourned at 9:45AM

NEXT SCHEDULED EXECUTIVE COMMITTEE MEETING:

Thursday, April 2, 2020
8 AM

DLBA Conference Room
100 W. Broadway, Suite 120
Long Beach, CA 90802

Mission: Cultivate, preserve and promote a healthy, safe and prosperous Downtown

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