



Board of Directors Meeting Agenda

San Leandro Improvement Association

Thursday, May 13, 2021, 8:30 a.m. – 10:00 a.m.

Telephonic Meeting

Dial-In: 1 (669) 900-6833 Meeting ID: 292 409 5566

<https://us02web.zoom.us/j/2924095566>

AGENDA:

- 1. Call to Order – President, Emily Griego**
- 2. Roll Call – Secretary, Katie Bowman**
- 3. Public Comment – Announcements (8:35)**
- 4. Approval of Minutes (8:55)** **Action Item**
 - a. March 11, 2021
- 5. Executive Directors Report – M. Mack-Rose (8:57)** **Information**
- 6. Review of YTD Financials and Projections – L. Van Nguyen (9:03)** **Information**
- 7. Annual Assessment Increase – L. Van Nguyen (9:15)** **Action Item**
 - a. The Board will consider an assessment increase in accordance with the Management Plan, effective July 2021.
- 8. Sidewalk Beautification Project: Self-Watering Planters – A. Sweet (9:20)** **Action Item**
 - a. The Board will consider approving up to \$5,700 for the purchase and planting of fourteen self-watering planters as recommended by the SOBO Committee.
- 9. District Identity Project: Rebranding Contract – S. Hackley (9:30)** **Action Item**
 - a. The Board will consider approving a \$15,000 contract for design services from Barreto – Co as recommended by the DISI Committee.
 - i. Scope of work includes downtown branding identity kit, street banner designs, and window cling designs.
- 10. Next Board Meeting** **Discussion**
 - a. Discussion of format for future meetings (i.e., virtual or in person)
 - b. July 8, 2021, 8:30 – 10:00

BROWN ACT: Government Code 54950 (The Brown Act) requires a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. The Corporation posts all Board and Committee agendas at 384 W. Estudillo Avenue, San Leandro, CA 94577. This meeting is noticed and conducted pursuant to § 54953(b) as amended by Executive Order N-25-20. Action may not be taken on items not identified as such and posted on the agenda.

SAN LEANDRO IMPROVEMENT ASSOCIATION

Downtown SAN LEANDRO

San Leandro Improvement Association

Board Meeting Minutes

March 11, 2021 – 8:30 am.

Telephonic

Present: Pete Ballew (Alternate), Katie Bowman (Secretary), Deborah Cox, Nicole Franklin, Emilio Garcia, Emily Griego (President), Shannon Hackley, Matt Holmes, Robert Jones, Long Van Nguyen (Treasurer), Ted Nguyen, Betty Shon, Angele Sweet, and Kimberly Pace (Vice-President).

Absent: David Irmer (exused),

Guests: Fran Robustelli

Staff: Morgan Mack-Rose

MINUTES:

<i>Item</i>	<i>Discussion</i>	<i>Action Taken?</i>
1. Call to Order	<p>8:31</p> <p>At the start of the meeting, the following was read into the record:</p> <p>Before roll call, I would like to make clear for the record of this meeting, and it should be reflected in the minutes that this meeting is conducted pursuant to California Government Code Section 54953, in that all members are participating by speakerphone. In accordance with the Ralph M. Brown Act, the teleconference participation information has been identified in the notice and agenda for this meeting.</p> <p>We will be recording attendance and all votes by Roll Call.</p>	

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2. Roll Call	M. Mack-Rose took roll call.	
3. Public Comment-Announcements	<p>E. Griego introduced Interim City Manager, Fran Robustelli.</p> <p>F. Robustelli discussed her previous experience with CBD in Walnut Creek where she was the city staff liaison. She expressed how much she has been enjoying working in San Leandro and asked the board if they felt that city staff was adequately supporting the district’s efforts. Both E. Griego and M. Mack-Rose expressed appreciation for the cooperation the district has been getting from various city departments.</p> <p>K. Bowman reported that the city is still assessing the impact of the new COVID relief bill. Alameda Co. moved to the Red Tier and restaurants are now allowed to open at 25% capacity. Joe’s Pho is opening in Washington Plaza. In Scribner Plaza, a pizza slice house is opening at the former location of “The Vine” and “Bag of Crabs” is moving into the former Englander. Many other restaurants are moving into the City. KB noted that M. Mack-Rose’s annual presentation to the City Council went well and that having the council members tour the downtown prior to the presentation was very helpful.</p> <p>D. Cox has reached out the Regency Center regarding the lack of a permanent plaza manager which has been vacant for several months. She also emphasized the importance of getting the Sizzler location rented again, noting that it has a full liquor license. DC reported that the lot at Washington and Parrott has finally been cleared and thanked K. Bowman and SLPD for facilitating that.</p> <p>M. Holmes reported that his project at E. 14th and W. Juana is ready to pull permits. The biggest delay has been related to PG&E and EBMUD scheduling for bringing services online. He is developing the former bank into a beer garden, restaurant, and retail space. He also reported interest in having a mural painted on the building.</p>	
4. Approval of Minutes	January 14, 2021 minutes were submitted for approval.	APPROVED AS AMENDED

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Downtown SAN LEANDRO

	<p>Moved: SH Second: MH Ayes: Unanimous Nays: None Absent: DI</p>	
<p>5. Executive Director's Report</p>	<p>M. Mack-Rose presented highlights from her first year as Executive Director. She also reported that she is partnering with Mayor Cutter in looking for grant funding to bring "Big Belly" trash receptacles to the district. Finally, she presented renderings for "Callan Central," a multi-use development at the corner of Callan and E. 14th which will go before the BZA in May. The board M. Mack-Rose to invite the developer to present the project to the Board (Justin Osler is confirmed for the May 4, 9 a.m. SOBO meeting)</p>	<p>INFORMATION</p>
<p>6. Review of YTD Financials</p>	<p>L. Nguyen reviewed current operating statement and balance sheet. He noted while three months isn't a significant amount of data to capture trends, it is showing district expenses to be on target YTD. He also recommended that the board discuss paying back the EIDL loan in May, after the second assessment disbursement is received.</p>	<p>INFORMATION</p>
<p>7. Annual Assessment Increase</p>	<p>M. Mack-Rose presented the process for increasing district assessments. The board has one opportunity each year and must take action at the May 13th meeting if they elect to increase assessments. There was much discussion about the need for the increase as well as the potential impact on property owners. There was general, though not complete, agreement that staff should initiate the process so that the board can further discuss and take possible action at the May meeting. M. Mack-Rose will prepare the annual report and notification to property owners so that they have 30 days advance notice of the board considering an increase.</p>	<p>DISCUSSION</p>

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Downtown SAN LEANDRO

<p>8. Committee Reports</p>	<p>SOBO Chair, Angele Sweet, discussed the committee’s plan to refresh the landscaping in the W. Juana Avenue bulb outs. She is developing a plant pallet (pro-bono). P. Ballew indicated that the Kiwanis and Key Club would be interested in helping with the planting. She will present a plan and budget at the April SOBO meeting.</p> <p>M. Mack-Rose reported that the DISI Committee agreed that there was a need for a district brand refresh and banner design. The new brand would be “Downtown San Leandro Community Benefit District” with a logo that distinguished itself from the City’s work. S. Hackley is soliciting bids from design firms which the committee will review at the April meeting. M. Mack-Rose indicated that a professional design is a significant investment and that the board would need to approve the funds.</p>	<p>INFORMATION</p>
<p>9. Advocacy Issues</p>	<p>M. Mack-Rose emphasized the importance of board members calling and emailing City Council to advocate for deferred maintenance projects in Estudillo and Joaquin Plazas as well as the addition of Safety Ambassadors. She has been speaking with council members individually and at public budget meetings advocating for both. A. Sweet issued a challenge to all board members to either email or call the council. M. Mack-Rose will send a sample letter and councilmember contact information.</p>	<p>INFORMATION</p>
<p>10. Next Board Meeting</p>	<p>Adjourned 9:59 a.m. May 13, 2021, 8:30 – 10:00 a.m.</p>	

Minutes by M. Mack-Rose

SAN LEANDRO IMPROVEMENT ASSOCIATION

YTD Financials & Projections
(December 1, 2020 – March 10, 2021)
Executive Summary

SLIA remains in a solid financial position.

REVENUE

We anticipate our next assessment disbursement to arrive in late May/early June. Excluding delinquencies, this should come in around \$160,742.

EXPENSES

Our expenses remain on budget except for our Special Events budget, which is slightly over (<\$200). Our nutcrackers needed to be repaired or replaced. The cost to replace is currently \$1,300 each, so I have opted to repair all twenty of them for \$3,500. This year, all nutcrackers are available for sponsorships generating up to \$20,000 in sponsorship revenue.

FINANCIAL PROJECTIONS

Budget Adjustments

The financial uncertainty created by the pandemic prompted the board to adopt a conservative fiscal year budget in November. Our initial budget doubled the assumed assessment delinquency rate (8% vs. the typical 4%). Thankfully, the first revenue disbursement in January did not reflect a significant uptick in delinquencies. For this reason, **I have revised our 2020 FY revenue projections from \$412,044 to \$429,959.**

I have detailed several adjustments to our projected expenses in the “Notes on Projected 2020 P&L.” The primary changes have been the consolidation of all payroll tax under Administration, costs from our in-house SOBO crew that carried over into this fiscal year, and a significant reduction in insurance premiums. **The net result of revenue and expense adjustments increases our projected EOY cash to \$15,224.**

2020 Non-Budgeted Items

We have non-budgeted revenue (Forgiven PPP Loan and City Landscaping Grant) and several non-budgeted expenses that the board will consider at today’s meeting. **If all non-budgeted items are approved this year, our projected EOY cash will be \$14,514.**

NET CASH EFFECT

Due to the Police Services contract suspension and the lack of special events in 2020, we began our FY 2020 in November with a cash balance of \$73,291. If all non-budgeted items are approved and assessment rates remain flat, the **projected cash balance for FY 2021 in November will be \$87,805.**

BUDGET ADVISORY

District Cleaning Services

Our district provides services from 7 am – 3:30 pm, seven days a week, with just three full-time employees (120 hours per week). In addition to basic cleaning, we expect regular pressure-washing of our downtown plazas and highly utilized areas. The current impact of unsheltered people on our street cleaning program is significant, and the crew struggles to maintain a high level of service. **Increasing ambassador capacity by 16 hours per week would offset the impact of unsheltered people on our service levels. The estimated annual cost would be an additional \$26,000.**

City Loan in FY 2022

In 2019, SLIA made a \$190,000 payment on an original loan of \$285,000. At that time, the loan repayment was restructured as interest-only for three years. In 2022, the annual loan payment will increase from an interest-only payment of \$2,100 to a principal + interest payment of \$16,000. **If the CPI is not increased by 3% in 2021, our revenue will not keep pace with expenses as currently budgeted.**

Restricted Reserves

Currently, SLIA has no restricted reserves account. Unless renewed, the Assessment District will expire in 2028. The cost for renewal is estimated to be between \$65,000 and \$85,000. For the next fiscal year, the board should consider seeding a restricted reserve account with \$50,000 and making a commitment of \$5,000 for each subsequent year to prepare for district renewal costs.

San Leandro Improvement Association Profit Loss Projections

	APPROVED 2020 Budget	PROJECTED 2020 P & L	PROPOSED (No CPI) 2021 Budget	PROPOSED (3% CPI + City Loan) 2022 Budget
Budgeted Income/Expense				
Income				
Interest Earned				
Assessment Income	447,874	447,874	447,874	461,310
Delinquency	-35,830	-17,915	-17,915	-18,452
Total Budget Revenue	412,044	429,959	429,959	442,858 (1)
Expense				
ADMIN				
Total ADMIN	76,163	78,951	78,794	85,239 (2)
DISI				
Total DISI	59,309	56,163	57,405	58,683 (3)
SOBO				
Total SOBO	268,231	279,621	271,082	278,349 (4)
Total Budget Expense	403,703	414,735	407,281	422,271
EOY Net Budgeted	8,340	15,224	22,679	20,587 (5)

2020 Non-Budgeted Items	
Income	
Forgiven PPP Loan	27,500
Landscaping Grant Award	7,000
Total Non-Budgeted Income	34,500
Expense	
Bulb-Out Landscaping (Approved)	-11,860
Self-watering Planters	-5,500
Rebranding Project	-15,000
EIDL Estimated Interest for Pay Off	-2,850
Total Other Expense	-35,210
Net 2020 Non-Budget Items	-710
Projected 2020 EOY Net Budget	14,514 (6)

Notes on Projected 2020 P&L

REVENUE

1. A reduced delinquency assumption of 4% resulted in **projected revenue increase of \$17,915.**

EXPENSES

2. ADMIN

Insurance rates decreased approximately \$3,500, there was an IRA match carry-over from 2019, and all Exec Dir payroll taxes were consolidated under Admin for ease of accounting resulting in a **projected net increase of \$2,788.**

3. DISI

Consolidated payroll tax under ADMIN resulting in a **projected decrease of \$3,146.**

4. SOBO

In-house street cleaning crew expenses carried over into FY 2020 (including severance), purchase of shed, and consolidation of payroll taxes under ADMIN resulted in a **projected net increase of \$11,390.**

EOY NET BUDGET

5. Projected **net EOY increase of \$6,884.**

PROJECTED EOY NET BUDGET

6. Assuming all non-budgeted expenses are approved, the **net 2020 projected revenue decreases by \$710.**

NET CASH EFFECT

Beginning 2019 Cash Balance	12,411
EOY 2019 Cash Carry-Forward	60,880
Beginning 2020 Cash Balance	73,291
Projected 2020 EOY Carry Forward	14,514
Projected Beginning 2021 Cash Balance	87,805

San Leandro Improvement Association

Balance Sheet

As of May 10, 2021

	YTD May 10, '21	Cash Basis Prev. Year May 10, '20
ASSETS		
Current Assets		
Checking/Savings		
Fremont Operations Account 7400	179.88	113,465.25
10100 — Fremont Payroll Account 7826	332.84	-122.35
Fremont Savings Acct 7471	189,415.78	
Fremont MMC 6420	177,448.14	
Debit Account		51.09
Total Checking/Savings	367,376.64	113,393.99
Other Current Assets		
Other Receivables	3,500.00	
Total Other Current Assets	3,500.00	
Total Current Assets	370,876.64	113,393.99
TOTAL ASSETS	370,876.64	113,393.99
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
Fremont MC	2,669.11	
Total Credit Cards	2,669.11	
Other Current Liabilities		
SBA EIDL	150,000.00	
San Leandro Loan 2017	70,139.31	70,139.31
24000 — Payroll Liabilities		
24200 — Payroll IRA	-530.79	
Total 24000 — Payroll Liabilities	-530.79	
Total Other Current Liabilities	219,608.52	70,139.31
Total Current Liabilities	222,277.63	70,139.31
Total Liabilities	222,277.63	70,139.31
Equity		
30000 — Opening Balance Equity	122,325.20	122,325.20
32000 — Unrestricted Net Assets	-119,161.72	-180,042.17
Net Income	145,435.53	100,971.65
Total Equity	148,599.01	43,254.68
TOTAL LIABILITIES & EQUITY	370,876.64	113,393.99

San Leandro Improvement Association

Profit and Loss YTD Comparison SUMMARY

December 1, 2020 through May 10, 2021

	Current YTD	Previous Year
	Dec 1, '20 - May 10, '21	Dec 1, '19 - May 10, '20
Ordinary Income/Expense		
Income		
Assessment Income	295,329.51	284,415.47
Total Programs Income	3,576.12	7,401.10
Non Assessment Revenue	27,500.00	4,000.00
Total Income	326,405.63	295,816.57
Expense		
Total ADMIN	37,544.90	34,025.68
Total DISI	24,244.83	14,745.87
Total SOBO	119,275.53	139,073.64
Total Expense	181,065.26	187,845.19
Net Ordinary Income	145,340.37	107,971.38
Total Other Income	95.16	0.27
Total Other Expense	0.00	7,000.00
Net Other Income	95.16	-6,999.73
Net Income	145,435.53	100,971.65

San Leandro Improvement Association
Profit and Loss YTD Comparison
December 1, 2020 through May 10, 2021

	Current YTD	Previous Year
	Dec 1, '20 - May 10, '21	Dec 1, '19 - May 10, '20
Ordinary Income/Expense		
Income		
Assessment Income	295,329.51	284,415.47
Programs Income		
Holiday	3,576.12	7,401.10
Total Programs Income	3,576.12	7,401.10
Non Assessment Revenue	27,500.00	4,000.00
Total Income	326,405.63	295,816.57
Gross Profit	326,405.63	295,816.57
Expense		
Administration		
Admin Misc.	306.02	0.00
Annual Elections / Mailing	1,247.94	0.00
Bank Charges/CC Interest Charge	150.00	281.28
Loan Interest	1,060.73	0.00
Staff Administration		
66000 — Gross Wages	18,223.10	2,288.48
66100 — Payroll Tax Expense (ADM)	3,147.91	0.00
IRA Match	3,569.36	0.00
Staff Administration - Other	0.00	17,600.00
Total Staff Administration	24,940.37	19,888.48
Accounting	1,650.00	2,590.00
Dues and Subscriptions	0.00	75.00
Rent	4,500.00	3,750.00
Insurance	860.00	2,082.98
Office Supplies / Equipment	659.21	2,923.35
Board Meetings / Retreats	127.62	72.00
Legal	75.00	80.00
Phone and Communications	614.71	704.07
Printing	0.00	476.25
Office Cleaning	1,353.30	1,102.27
Total Administration	37,544.90	34,025.68
DISI		
Advertising	0.00	84.72
Social Media	274.40	6,000.00
DISI Staff Admin	18,223.10	6,288.48
Seasonal Displays	581.81	0.00
Newsletters	0.00	57.00
Special Events		
Holiday Event	5,111.01	2,297.50
Total Special Events	5,111.01	2,297.50
Web Site	54.51	18.17
Total DISI	24,244.83	14,745.87
SOBO		
Sidewalk Cleaning Operations		
52000 — Payroll Tax Expense	754.58	9,895.17
53000 — Deductions	0.00	641.40
56000 — Health Ins	-36.77	2,059.63
Workers Comp	637.83	0.00
55000 — Payroll Service	804.67	1,118.49
51000 — Wages	5,986.34	70,820.95
Total Sidewalk Cleaning Operations	8,146.65	84,535.64
Supplies, Equip, Uniforms	173.13	2,794.98
Public Space Maintenance	2,580.00	2,065.00
Nursery Supplies & Equipment	620.46	1,751.58
Rent / Storage	4,500.00	3,750.00
Security	0.00	35,385.00
SOBO Admin	6,015.34	6,400.00
Vehicle Related		
Gas	85.87	617.85
Vehicle Repairs & Maintenance	0.00	1,008.15
Total Vehicle Related	85.87	1,626.00
SOBO Contingency	2,842.44	765.44
Block By Block	94,311.64	0.00
Total SOBO	119,275.53	139,073.64
Total Expense	181,065.26	187,845.19
Net Ordinary Income	145,340.37	107,971.38
Other Income/Expense		
Other Income		
Interest Earned	95.16	0.27
Total Other Income	95.16	0.27
Other Expense		
Admin 2017-18	0.00	7,000.00
Total Other Expense	0.00	7,000.00
Net Other Income	95.16	-6,999.73
Net Income	145,435.53	100,971.65

Proposed Assessment Increase Executive Report

Background

Community Benefit District assessments are based on the physical measurement of the district parcels and their improvements, not on the property's assessed value. **Unlike property taxes that increase annually at a set amount, CBD assessments require an action of the CBD Board.**

The District Management Plan caps the annual assessment increase at 3%. Since its inception in 2013, the assessment has increased 8.64% or 1.23% on average per year.

Financial Impact

A 3% increase of the District's current assessments would generate an additional \$13,436 in revenue.

The median increase per parcel for privately held parcels would be \$40.19, or \$3.35 per month. The highest increase for a single, private payer (having multiple parcels) would be \$1,382 or \$115 per month. If approved, the assessment increase would be reflected in November and April tax bills.

Recommendation

All property owners received notice in writing that the Board would be considering a CPI increase at the May meeting. No property owners have communicated support or opposition to an increase. However, there is sensitivity around increasing assessments given the negative financial impact many businesses and property owners may have faced due to the pandemic. Many other CBDs/BIDs have opted NOT to increase assessments this year but will be doing so in 2022.

Our current cash reserves are significant, and an assessment increase is not necessary to maintain current service levels in the next fiscal year. However, as noted previously, our services levels are struggling under the impact of unsheltered people in the District. If the Board opts not to increase CPI this year, the Board will need to adjust its expectation for pressure-washing in the District or use one-time funds to increase ambassador hours.