

M I N U T E S
U City Loop Special Business District Board Meeting
Blueberry Hill-Pac Man Room, 6504 Delmar Blvd.
Tues., January 14, 2020

Attending Board Members:, Joe Edwards, Wendy Harris, Ryan Patterson, Tom Schmidt, & Steve Stone

Absent Board Member: Michael Alter, Nakita Smith, and Ben Evans

Guests: Councilmember Paulette Carr, Councilmember Tim Cusick, Mary Gorman (property owner), Paul Schoomer (resident), Libbey Tucker (Director of Economic Development)

Call to Order: Joe Edwards called the meeting to order at approximately 10 a.m.

Approval of Minutes. A motion was made by Tom Schmidt and seconded by Wendy Harris to approve the minutes of the December 10, 2019 meeting. The motion was approved unanimously.

Public comments. Councilmember Paulette Carr expressed concern over the accountant's compilation report prepared by the firm Kerber, Eck, & Braeckel for the quarter ending 9-30-2019 and specifically language in the cover letter that reads: "Management has elected to omit substantially all the disclosures required in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Loop Special Business District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters."

She remarked that all the financial information is discoverable under the Sunshine Law and can't be withheld and that she would be requesting the backup information for the report. Treasurer Tom Schmidt stated that they weren't aware of this language and did not direct it be included or prepared that way.

Councilmember Carr also noted that the funding award letter issued by the City regarding the award of funds to the LSBSD from the Economic Development Retail Sales Tax (EDRST) had not yet been signed and returned and; therefore, no funds could be released. Councilmember Carr stated that while the books have been reconciled for FY 2019 and FY 2018, they are not yet reconciled for FY 2016/17. Specifically, the City is looking into invoices for the directories and brochures and whether the LSBSD was submitting quarterly reports, as required. Councilmember Cusick noted that the State Auditor is doing more assessments on tax-funded, quasi-government entities like the LSBSD, which has revealed poor recordkeeping and cautioned the Board to be aware of this.

Mr. Schmidt noted there are two invoices he is unable to locate and has been communicating with the City's finance director, Keith Cole. Councilmember Carr stated she is specifically looking for the checks issued by the East CID for their portion of those items to ensure the EDRST funds weren't paying for the entire amount. She noted that it's the responsibility of the board members to ensure the funds are being managed correctly and that reports are being issued for the EDRST funds.

Mr. Edwards commented that the Board is aware of the state-wide review efforts by the State Auditor, and that the Board is doing what is requested to come into compliance.

Steve Stone noted that the accountant's language could be boilerplate language for the transmittal letter of the report. He stated that the Board needs to ensure they are accepting responsibility and staying within budget.

Mr. Schmidt stated he would check with the accounting firm regarding the omission language.

Quarterly Financial Report Ending 9-30-2019. The LSBSD quarterly financial report was included in the Board packet for their review. No action was taken on this item.

OLD BUSINESS

Strategic Plan. Mr. Edwards stated that he is continuing to negotiate with the i5 Group, who has also been selected to perform the City's Economic Development Strategic Plan. They would like to meet with the LSBSD Board as part of that process, perhaps at the February meeting.

Bylaws Changes. Mr. Edwards noted that there are changes being discussed relative to the reference to the "members at large" of the LSBSD, who are currently every property and business owner in the Loop. The City suggested that the Board select a few individuals to work with City Attorney Mulligan on revisions to the bylaws. Mr. Edwards and Mr. Schmidt agreed to meet with Mr. Mulligan on this subject.

NEW BUSINESS

Election of Officers. Mr. Edwards stated that the bylaws state officers are to be elected in January. Currently serving in the officer positions are Joe Edwards-Chairman, Mike Alter-Vice Chairman and Tom Schmidt- Secretary-Treasurer.

Mr. Patterson questioned whether they should move forward with electing officers without knowing how City Council is handling the elections and who they will confirm. Mr. Stone suggested that they could vote to extend the terms of the existing officers until a decision is made by City Council, or that they could vote for new officers. Mr. Edwards agreed with that suggestion.

Mr. Stone made a motion to extend the terms of the current officers until such time a decision is made by City Council on the outcome of the election of the board positions. Wendy Harris seconded the motion. The motion was unanimously passed.

The next meeting will be February 11, 2020.

Having no further business, a motion was made to adjourn by Tom Schmidt and seconded by Wendy Harris and was unanimously passed.

The meeting adjourned at 10:30 a.m.