

STATE STREET COMMISSION

**State Street Commission Meeting
Tuesday, July 25, 2018
4:00 PM
Chicago Loop Alliance**

**9th Floor Conference Room
MINUTES**

ATTENDANCE

AFFILIATION

Commission Members Present

Commissioner Greg Cameron
Commissioner Mark Davids
Commissioner Paul Fitzpatrick
Commissioner Scott David Greenberg
Commissioner Ryan Segal
Commissioner John Tully
Commissioner Anne Voshel
Commissioner Jennifer Williams (via phone)

Joffrey Ballet
AmTrust Corp.
11 East Partners LLC
the Wit/ECD
Acadia
Department of Streets & Sanitation
AVA Consultants
Macy's

Commission Members Absent

Commissioner John Idler
Commissioner Mark Kelly
Commissioner Dean Lane
Commissioner David Reifman
Commissioner Rebekah Scheinfeld

ABC7
DCASE
Palmer House
Department of Planning & Development (DPD)
Chicago Department of Transportation (CDOT)

Others Present

Alex Christenson
Michael Edwards
Judie Green
Laura Jones
Robert Kearney
Abel Rodriguez

Mid-America Real Estate
Chicago Loop Alliance (CLA)
Auditorium Theatre
Chicago Loop Alliance (CLA)
42nd Ward
Chicago Loop Alliance (CLA)

I. Call to Order - SSA#1 - 2015 Chair Anne Voshel

SSA#1-2015 Chair Anne Voshel called the meeting to order at 4:08 PM. Introductions were made.

II. Public Comment

No comments were made by the public.

III. Approval of Minutes

A motion to approve the minutes from the June 19th State Street Commission meeting was made by Commissioner Greenberg and seconded by Commissioner Fitzpatrick. The motion carried unanimously.

IV. Financial Statements as of June 30, 2018

Abel Rodriguez led the group through the 2018 SSA#1-2015 Budget Summary (Second Quarter Financial Statement) as of June 30, 2018. The first column of the document contained the yellow highlighted Proposed Changes to the Budget. The second column held the original budget. The third column detailed the Actual 2018 Totals to Date, their percentage of completion, and the balance. The 2018 budget feeds into the 2019

budget. The line item of SSA Late Collections and Interest is \$177,720 under the Proposed 2018 Amended Budget. Since the audit has been completed, this is a hard number. However, the original budget allotted \$190,000 for this line item, so the proposal is to change this to the actual number and reduce some of the line items by a little over \$12,000.

The second line item change proposed was Geocentric, who does website development and ongoing upgrades. Last year (2017) the Commission approved \$105,000 for a new website. We only spent about \$55,000 of that and added the rest to carry-over in 2018. But we still needed \$46,000 to complete the website and no money was allocated in the 2018 budget for that. So, the amended budget would take that money back out of the carry-over. The total project cost will still be \$105,000 between 2017 and 2018. The new website launches next month.

Under public way aesthetics, graffiti removal was at \$15,000 in 2018. We were buying special wipes, but the Clean Team exhausted that supply and began using their own spray remover, so we don't need the money in this line item in the amended budget. We will remove that amount.

Often when we create the yearly budget we put everything in the carry-over under Infrastructure Maintenance. But now that we have a hard number, we are going to reallocate that carry-over. \$43,000 was taken out of the \$109,960 allocated for sidewalks in 2018 in order to put it back into website development, leaving us with \$66,960 in that sidewalk line in the amended budget.

On the second page of the Budget Summary, we had budgeted \$50,000 as start-up costs for the Police Engagement (off-duty) program. However, the cost of hours in the first month (March) alone was \$12,500 because of the court time involved. So, to maintain the level of security services for the remainder of the year (2 officers/guards for 3 days—a total of 24 hours-- a week plus court appearances) the budget was increased to \$112,500 for 2018. This year's budget had allocated funding for hiring 2 more street ambassadors, however there has been difficulty finding the right candidates, so the money we would have used for the salary of one of those individuals can be reallocated to the police engagement program. (Commissioner Greenberg asked if real estate taxes didn't pay for a police presence. Chair Voshel responded that we have had many discussions about this; stakeholders were not happy with what the city provided and desired additional security.)

At the bottom of page 2 of the 2018 SSA #1-2015 Budget Summary was a column of items showing how we arrived at the projected carry-over:

- \$26,000 was budgeted for a public relations firm on an as-needed basis, but CLA hired a full-time in-house person and there appears to be no need for a firm for the rest of the year. We can't just take it out of the budget, but we know that we're not going to use it.
- Under Lightscape programming, we ran into a glitch with the person that we hired to develop and update software. The contract was terminated by mutual agreement, the work was not completed (we did receive a beta test version), and they refunded us the money back (\$8,000.)
- Inland Marine Insurance is going to cost us \$3,000. That's a hard number and we will not be seeing any more bills coming in.
- We will not be using \$4,000 for sidewalk cleaning and snow removal; that was a contingency amount set aside in case snow exceeded the contractually allowed 48".
- Contingency funding is also the reason why there were \$14,000 unused dollars in the Pressure Washing line item. It was there to cover any unscheduled cleaning that might be needed if one of our sports teams won a series/season or if there was construction or accident clean-up.
- It was decided not to do the Strategic Plan Refresh (\$17,335.) We believe we are still on the right path.
- We have not hired the additional ambassador yet, so we split the allocated salary by half to reflect wages we did not pay for the first part of the year (\$27,000.)
- Under the Homeless Outreach and Panhandling Program, we've already paid for guides that will last us for the rest of the year, and there was an additional \$6,000 remaining.

This all totals to be \$105,335 in carry-over for next year's 2019 budget. We like to be cautiously optimistic, so we will be using the figure of \$110,000 in 2019 budget development. Hearing no questions, Chair Voshel asked for a vote to accept the budget amendments. The motion was made by Commissioner Greenberg and seconded by Commissioner Davids. It passed unanimously.

The 2nd Quarter Performance Review/Metrics spreadsheet was sent out to Commissioners prior to the meeting for their review, and then also included in meeting packets. There were no surprises and no questions. A motion to accept them was made by Commissioner Davids and seconded by Commissioner Cameron. The motion passed unanimously.

V. Sole Service Provider Report: 2019 SSA Final Budget Draft and Retention of CLA

Michael Edwards explained that the City of Chicago has a robust timeline to put SSA budgets together. At the direction of the State Street Commission, the Sole Service Provider, Chicago Loop Alliance, developed the first 2019 budget draft to comply with their request that it should be a zero-based budget containing only what was necessary. This draft was submitted to the Commission, who discussed and refined it, knowing it might change again because this year's EAV had yet to be released.

Meeting packets contained a final draft of SSA#1-2015's budget for 2019 requiring the approval of Commissioners. Items highlighted in yellow indicated the changes that were made since the Commissioners saw the budget the last time, prior to the EAV's release.

When the new EAV finally did come out, we found it had increased by over 12% from last year, bringing in new revenue. The EAV went from \$765 million to \$858 million. Honoring the Commission's dictate to keep the .3465% special service area rate the same still allowed CLA to take advantage of the increased revenue and add additional needs to the draft budget. Even though the rate itself did not change, the amount of money we will receive automatically did, which means we are required to have a public community meeting. Anytime the SSA budget goes up by more than 5% (due to a new EAV or any other reason) we are required to have a public meeting prior to City Council approval.

Edwards commented on some of the 2019 budget changes and additions. CLA has talked at length about developing additional marketing to address the crises in the retail market and how we can remain vital; \$20,000 more was added to that line item. We've also discussed a Re-Imagine State Street Visioning Plan to address our crumbling infrastructure and prepare State Street for different mixed needs in the future. The project was originally budgeted at \$125,000 but the decision was made to do only Phase 1 of the visioning plan at this time, which is data gathering. It is estimated to cost \$75,000 – a cost proposed to be split 50/50 by CLA and the SSA (\$37,500 each). The CLA Board also talked about increasing the percentage allotted for salaries and staffing from 3% to 4%. Two contracts are up for new RFPs – landscaping and power-washing – and those costs are expected to rise so that line item rose by a 20% allocation. Edwards said that he believes this budget is fair and respects everyone's viewpoints. The rate was not raised last year and we left money on the table.

Commissioners debated the increases of various services and the budget itself. Commissioner Greenberg felt that it was the city's responsibility to provide police protection, questioning increasing our budget for off-duty police/guards. Commissioner Davids said that it was laudable that we were not increasing the rate, but he advocated for keeping the total budget the same as last year, which would mean shaving off approximately \$190,000 to get below that budget number. He suggested cuts at the previous meeting; saving money where we can be a good thing, especially in the current tax environment. Commissioner Cameron stated that he didn't understand why we were debating \$190,000; we have had these conversations before. Participation is important on a regular basis. Abel Rodriguez added that even picking and choosing cuts, we will still probably have to hold a community meeting.

Chair Voshel asked Michael Edwards what he would cut to achieve a \$190,000 reduction. Items included:

- \$19,827 from Marketing
- \$40,000 from Banners
- \$21,800 from Landscaping
- \$15,000 from Aggregate
- \$10,000 from Infrastructure Maintenance
- \$25,000 from Economic Studies
- \$ 5,000 from Springboard
- \$57,000 from the Street Team

Commissioners debated and decided to remove the following amounts from the above list: economic study, marketing and the Street Team (the elimination of hiring the second additional ambassador; the first additional ambassador position's salary had already been reallocated to the off-duty program.)

A motion to approve the 2019 SSA #1-2105 with the above changes was made by Commissioner Davids and seconded by Commissioner Cameron. It passed unanimously.

Another motion was made by Commissioner Fitzpatrick to retain the Chicago Loop Alliance (CLA) as the sole service provider for 2019. It was seconded by Commissioner Davids, and it also passed unanimously.

VI. Other Business

The next SSA #1-2015 State Street Commission meeting date is October 16, 2018 at 2:00 PM at ABC7. At that time the Commission will review and vote on the 3rd Quarter budget and metrics reports, due at DPD no later than October 18, 2018. There also will be a discussion about expiring terms – except for Commissioner Segal, all Commissioners need to be re-nominated and complete new paperwork.

VII. Adjournment

The meeting was adjourned at 5:15 PM by Chair Voshel.

Respectfully Submitted,

Mark Davids
Secretary