



Pittsburgh Downtown Partnership

Fourth Quarter Meeting of the Board of Directors

Koppers Tower Conference Center

436 Seventh Avenue, Lower Level

Thursday, December 13, 2018, 3:30 p.m.

Meeting Minutes

Attendees

Rich Beynon, Jim Blue, Mark Broadhurst, Lisa Carey, David Case, Deb Donley, E. Gerry Dudley, Kevin Evanto for County Executive Rich Fitzgerald, Mariann Geyer, Grant Gittlen, Rev. Tom Hall, Tom Harrington, Kevin McMahon, Clare Meehan, Tom Michael, Dan Onorato, David Onorato, Lucas Piatt, Craig Stambaugh, Matthew Sterne, Larry Walsh for Aaron Stauber, George Whitmer, Marisa Williams (by phone), Ashlee Yingling and Tony Young.

Absent

Jack Barbour, Michael Brunner, Melissa Dougherty, Melanie Harrington, R. Daniel Lavelle, Kenny Lyle, Grant Mason, Ken Rice, Robert Rubinstein, Izzy Rudolph, Merrill Stabile, and Jake Wheatley, Apple White.

Speakers and Presenters

Gatesman Agency: Shannon Baker – President, Julie Allard – Executive Creative Director, Aleya Jennings – Senior Account Executive, Alexa Ryzinski - Copywriter

Call to Order

The December 13, third quarter 2018, meeting of the Pittsburgh Downtown Partnership Board of was called to order at 3:30 p.m. by Lucas Piatt, PDP Board Chair.

Welcome and Minutes

Lucas welcomed the Board and thanked Rugby Realty, Aaron Stauber and Larry Walsh for hosting today's meeting in the Koppers Tower Conference Center. A motion to approve the minutes of the October 4, 2018 PDP Board meeting as presented was made by Tom Harrington and seconded by Mark Broadhurst; all were in favor; the motion carried.

3rd Quarter Financials

The 3rd quarter 2018 financial statements were reviewed in detail with the finance committee. Cindy Day noted that the total cash balance of \$3.746 million consisted of \$1.520 million in unrestricted cash, \$1.881 million in temporarily restricted cash and \$345k in board reserved cash. The September 30th, 2018 A/R balance consisted primarily of outstanding invoices for Holiday sponsorships (19%), Holiday Market vendor invoices (45%), transportation invoices outstanding and membership. The 2018 BID assessment receivable as of September 30th was \$28.9k. Liens will be filed by the end of the month. Total BID receivables

outstanding at September 30th stood at \$69k. Fixed assets changes from the prior year reflected the addition of the Peoples truck and the Duquesne Light Gator. The September 30th A/P balance consisted primarily of the September Block by Block invoices. The Total Net Assets of \$3.842 million consisted of \$1.893 million unrestricted net assets and \$1.949 million temporarily restricted net assets.

The operations income statement was reviewed noting Program income about \$175k over budget reflecting an expanded Picklesburgh and over budget Saturday Night Market vendor fees. Foundation/Corporate dollars were over budget by \$20,000 reflecting the unbudgeted Forbes Funds support of our Stakeholder Engagement process. Total Operations income came in 4.3% over budget. Expense lines were running pretty close or under budget. Employee Salaries and Benefits were under budget reflecting the partial year Envision/transportation vacancy and a lower unemployment tax rate. Office expenses were under budget by \$12k mainly due to timing issues. Most other expenses were running under budget related to timing issues. Total expenses are running 7.5% under budget for the first 9 months. We are currently predicting we will end the year close to budget.

The Programs income statement was also reviewed in detail. Significant foundation/corporate income received in the first three quarters included Ford Mobility, City of Tomorrow grants; the Duquesne Light donation for the Gator and additional funds for the Sustainable Restaurant program. Budgeted dollars included additional wayfinding and Market Square Public Art support which we have not yet received. Program expenses were mainly related to the Envision Program, Market Square Public Art and the Garrison Canal and 604Liberty/PG&H store expenses. Overall the committee was comfortable with the financial condition of the organization as of September 30, 2018.

A motion to approve the third quarter financial statements was made by Grant Gittlen and seconded by Tom Harrington; all were in favor; the motion carried.

2019 Budget Review

The budget packet, including a narrative explaining changes in individual lines, an "Operations" budget for day to day operations, a "Programs" budget for specific funded projects, and a "Consolidated" budget showing both operations and programs, was reviewed in detail with the committee. Again, we are basically holding the line for 2019. The biggest changes are: the legislated increase in BID revenue and increased BID funding toward Office Recruitment in 2019 to increase our emphasis on Downtown business attraction. Operations Revenue is budgeted at \$3,966,891, up from \$3,757,904 for 2018, a 5.5% increase. The BID assessment has been increased by 6.6% as per legislation under our BID renewal. Distribution of the BID income is a little different this year reflecting the increased Marketing budget toward downtown business attraction: 62% is going to Clean and Safe; 16% to Marketing; 8% to Planning and Economic Development; 4% to Transportation and 10% to Administration. Operations Expenses are budgeted at \$3,966,671. Operating salaries and benefits have increased 2.8%, reflecting a 4% pool for general raises, projected benefit increases and staffing changes. Other changes from 2018 are not significant. The Programs budget was also reviewed. Any program expenses for 2019 will be covered by restricted funds carried forward or additional program funding received.

A motion to approve the 2019 draft budget was made by Lisa Carey and seconded by Deb Donley; all were in favor; the motion carried.

Business Attraction Campaign – Shannon Baker and Team, Gatesman

Following up on a need existing within the development community, and identified at the PDP's May 16, 2018 Board meeting, the Gatesman team presented a Downtown Rebranding campaign developed in collaboration with PDP staff and the Strategic Communications Committee. The campaign's objectives are to change how CEOs, business decision makers, and Realtors think about what Downtown has to offer, and increase office occupancy through a robust communications and brand identity plan which includes a Real Estate Broker Toolkit. Directors were enthusiastic about the campaign's potential and timing and asked questions about tactics, messaging, and timeline.

Holiday Initiatives

This agenda item was tabled to discuss the recent media coverage of Colcom Foundation and how the PDP is responding to the call to action from a coalition of organizations. The PDP will continue to focus on the organization's mission while remaining responsive and respectful.

Other Business

Directors were reminded of the PDP Holiday Party at the home of Tom Grealish which will follow the meeting.

Adjournment:

The meeting adjourned at 5:00 p.m.

Lucas Piatt

Date