



Downtown Arlington Business Association

Special Joint Board Meeting Minutes

August 22, 2016

5:15 – 7:15 pm

Location: Stilliguamish Conference Center

Agenda:

Chamber of Commerce Board Members Present:

Dan Blevin, Julie Morse, Jennifer Holocker, Steve Pheiffle.

DABA Board Members Present:

Mike Britt, Cristy Brubaker, Jeff Phebus, Dana Fowler, Bill Dettrich, Rich Senff.

Meeting Called to Order at 5:20 pm.

1. Approval of Board Meeting Minutes Held 7-18-2016:

Action Taken:

- Rich Senff motioned.
- Jeff seconded.
- All in favor?
- Anyone opposed?
- Motion carried.

2. Grant Requests Approval:

- a. City of Arlington Hotel/Motel Grant – Up to \$25,000
- b. Snohomish County Hotel/Motel Grant – Up to \$3,600
- c. Snohomish County REET Small Capital Projects Grant – Up to \$8,000

Mike Britt stated that we need to approve these ahead of the grant submission as they require board minutes.

Dana Fowler gave a brief overview of all grants and what we were applying for and why. We will apply for the City of Arlington Hotel/Motel Tax Grant for the Car Show, Street Fair, Viking Fest, Hometown Holidays and half of the tourism brochure project costs. The maximum to be applied for is noted above - \$25,000. The other half of the tourism brochure costs will be requested from the Snohomish County Hotel/Motel Grant Funding source. The amounts do not reflect total project costs – only the portion that we would request of the various funding sources, i.e. does not include any match dollar amounts.

DABA will need to re-apply for the Snohomish County REET Small Capital Projects Grant funds for the pocket park project as the revised project description was misplaced and not submitted for approval in the amount noted above.

Action Taken:

- Cristy Brubaker motioned to approve the amounts and grant sources noted above.

- **Rich Senff seconded.**
- **All in favor?**
- **Any opposed?**
- **Motion carried.**

3. Event Insurance Discussion

Mike asked if the Chamber had any new information to present first? Dan Blevin stated that the invoice still stands that they submitted previously. They would like DABA to pay for \$1,375.00. Cristy stated that in the past DABA had paid only an admin fee for each event. Dan Blevin stated that the insurance covers both organizations and the members and directors.

Mike asked how many board members the chamber had now? Dan Blevin stated there are nine. Mike stated that our concern was that the insurance costs be equitable. He said that DABA has had growth over the last year but in looking at what is equitable for the two clubs. Also, we have a budget that we must stick to. It spells out what costs we have planned for in 2016. The Chamber has a copy of this budget. Mike stated that we had one entire event this year that did not get the grant reimbursement we had anticipated for this new event. So, unfortunately DABA had to cut corners on some other events in order to make up for this deficit. Mike feels that it is something worth looking into but we have budgetary concerns first and foremost.

Dan Blevin says he understands the sticker shock of the insurance invoice. However, as they were looking very closely at their budget, they determined that DABA should pay half of the costs. Dan Blevin stated that they are willing to look at a discounted rate for the remainder of this year then would ask us to pay the full half amount in January. Cristy asked if we paid this amount then we would not pay per event in future.

Going forward, Viking Fest would still be an additional cost because that event is considered to be more high risk. Julie Morse stated that she asked the insurance to add it to the standard rider/scope. They said no. Julie said that she has the packet of information for the Viking fest supplemental rider. They would not quote her over the phone so she won't know the final costs for that until she submits the paperwork. There have been changes in insurance law.

Rich asked if the endorsement lists each event separately to get a more detailed view of costs per event. Julie stated that for the Viking fest, they may also ask if our vendors have their own insurance.

Bill asked who the insurance company was – Julie stated Thomas and Associates. And they also use the NPI underwriting agency. Julie stated that if we pursued insurance on our own, it would be \$5,000 as a non-commercial non-profit.

Cristy asked if we can grow our events or are we limited to what we have now without increasing insurance costs. Julie says probably unless it's an unusual event.

Jeff asked Dan what type of discounted rate he was considering? Dan said he could mark it down by \$400 which is what we pay now. But obviously they would like the full amount as the Chamber is struggling financially.

Steve Pfeiffle asked about the insurance policy period is June 1st through May 30th, 2017. Julie noted that the rate was discounted as they asked for 2 years. The cost per year is \$2750.

Mike asked if the insurance costs are impacted by whether we have one or eight events. Julie stated it might. Apparently the insurance rolled along for quite a few years based on events from several years ago.

Halloween was mentioned, DABA clarified that we do not manage that event formally. The city promotes that along with the merchants.

Steve Pfeiffle says our concerns are shared around any event. Dana asked if casual, one-off events are covered or not? Jeff asked if we sponsor something, is there any liability. Steve stated the real issue comes out of how the event is organized and how we protect the participants. The city has more liability exposure than chamber of DABA.

Jeff is struggling to see the reservations and the pros and cons of growth constrained. Doesn't want to see the two organizations get into any financial drama.

Dana stated her official position was that we would like to pay the discounted rate as she is struggling to put on an event now in October where there is no extra budget funds. She understands that the coverage is intended to be broad and covers all events and then some so we can flex in additional events without the rates going up.

Bill is in favor of paying what is equitable and fair. And he understands we must pay for insurance. We cannot go without it. He stated that if we had 10 events and the chamber 6 events, then we should pay more.

Mike also stated that in terms of equity – the chamber has more members than we do and charges a higher membership fee. And they also have the luxury of the monthly payments. And the board is a 1/3 larger in terms of membership. Dan stated that their overhead is higher also. But Mike stated that yes, that is their liability and it is greater.

Dan stated that the coverage is the same and is not dependent on how many members or board members.

Jeff asked if we paid the full 1375, would that go straight to the insurance organization?

Steve said from an organizational conversation without the chamber. He thinks we are linked at the hip from an insurance perspective.

Jeff feels like the money we raise and give out means we need this relationship and the value is greater than \$1375.00.

Dana agreed but we need to know first if we have the money. If it's not there, it's not there. Cristy also noted that there is a difference between what is budgeted versus actual. Last year the Chamber actually lost \$350.00.

Dana also noted that there might be other financial concessions we can bring to the table in addition to the insurance that could help facilitate the discussion. For example, the chamber fee we pay and is not reciprocated to DABA. Jennifer Holocker noted the membership fee is pro-rated.

Mike agreed that we should discuss this further as a board. Mike is not opposed to contributing something more but he is a little stuck on how much more. But, he is going to let the board decide that.

Dan noted that the fiscal year is \$803 from June to December. Cristy asked if we deduct last years' events? Dana stated that we already paid those and they are covered under another policy that was 2015-16.

Dan hoped that we can work together more closely in the future. We both have strong focuses and need to do a lot more work. He hopes we will both be transparent and have open minds.

Mike stated that he is clear what it's taken to get DABA where we're at today. He hasn't seen really any issues in the past that could not be overcome. He feels DABA has been very transparent.

4. Re-Seller Permit Discussion

Mike stated that he had one other question. Julie stated that the excise tax is due in February and is an annual report. The chamber does not sell any items. Last year for DABA, there were t-shirts sold at the Viking Fest and we do need to pay excise tax. Steve asked if we exceed a certain sales margin, would we have to file more frequently. Cristy asked what the source was for each event.

Cristy didn't think our budget did not break out shirt sales for all events? Julie Morse thought there was and she can send us the background documentation. Cristy noted that the WA state Tax ID/Corporation License had expired in November 2015. Julie stated it was re-instated.

There are two different issues here – a federal tax return tax account and the State of WA Corporation. Cristy stated that she wants to work with the Chamber to get the re-seller's permit as it would help us save significant amounts of money in sales tax. Julie Morse said she would work with Cristy to get this done.

Rich also re-iterated that need to re-visit the membership fees. He wants to know why we are paying this and the chamber does not, and why should pay at all since we are essentially the same organization. Seems like were robbing Peter to pay Paul.

Steve would like to see more regular joint meetings.

Mike would like DABA to meet next Monday at Mike Britt's store.

Board Meeting Adjournment at 6:36 pm.