



Hillcrest Business Association
 Board of Directors Meeting
 Public Meeting
 December 13, 2011, 5pm
 Joyce Beers Center, 1230 Cleveland Ave., San Diego CA 92103

AGENDA

Call to order and introductions	N. Moede	2 minutes
Public comment (1 minute per speaker)		5 minutes
Reports:		
a) President's report	N. Moede	5 minutes
b) Executive Director's report	B. Nicholls	5 minutes
Consent items (action):		
a) Approval of minutes ¹	N. Moede	5 minutes
b) Approval of organizational financials ²		
c) Acceptance of FY11 draft audit ³		
Action items:		
a) San Diego Half Marathon letter of support	B. Nicholls	5 minutes
b) Request to support of Code Monitoring Team recommendations concerning Interim Height Ordinance ⁴	B. Nicholls	10 minutes
c) Discussion concerning ownership of 1984 Hillcrest sign	G. Younger	10 minutes
d) Proposal to purchase new trashcans and recycling cans	B. Nicholls	5 minutes
e) Contract for Taste of Hillcrest ⁵	A. Capano	5 minutes
Information items:		
a) SOP #7: Conflict of interest policy ⁶	S. Cute	5 minutes
b) Parking Committee report	N. Moede	5 minutes
c) Marketing Committee report	A. Capano	5 minutes
d) CityFest/Hoedown Committee report	J. Hale	5 minutes

Attachments:

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| <ol style="list-style-type: none"> 1. November 2011 minutes 2. October 2011 financials 3. FY11 organizational audit 4. Letter concerning IHO support | <ol style="list-style-type: none"> 5. Contract with MacFarlane Promotions concerning Taste of Hillcrest 6. SOP #7: Conflict of interest policy |
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BOARD OF DIRECTORS MEETING MINUTES

Tuesday, November 8, 2011
Joyce Beers Community Center
1220 Cleveland Ave., San Diego, CA 92103

Board members in attendance: Reem Ali, Ron Baranov, Michael Brennan, Sean Cute, Amy Capano, Jillian DiCola, Johnathan Hale, Nick Moede, Michael Wright, Dalour Younan, Glenn Younger

Board members absent: Natalie Behlman, Pete Katz, Alonzo Ortiz, Jesse Thomas

Others in attendance: Tom Abbas, Stamp Corbin, Darren Erb, Sean Sala

Staff in attendance: Mary Joseph, Ben Nicholls, Lisa Weir

- N. Moede called the meeting to order at 5:06 p.m.

Public Comment

- S. Sala with the Homeless Lift project presented a proposal to bring red meters to Hillcrest. He said the meters are currently in over 15 cities in the U.S. and are used to raise funds to help homeless. N. Moede invited S. Salas to present the information to the Beautification Committee for feedback.
- M. Wright stated that the homeless sleeping at the AT&T parking lot is getting consistently worse. N. Moede says that he will ask B. Nicholls to write a letter to AT&T and CC Todd Gloria.

President's report

- N. Moede said he thought the first annual Hillcrest Hoedown was a success and expressed his gratitude to office staff as well volunteers. He said that the Hillcrest Sign RFP action item had been removed from the agenda.

Executive Directors report

- N. Moede reported that the HBA received an Onion Award for the Hillcrest Sign from the San Diego Architectural Foundation and that many board members and staff attended the ceremony to accept the award. He also reported that staff submitted the Hillcrest Flag Site Development permit on Wednesday of last week.

Informational items

- N. Moede reported that the Uptown Parking District seated the new board for the Uptown Community Parking District and that the first meeting will occur on November 21 at 2 PM at City Hall. He stated that the parking district contract would be going in front of City Council on November 14 or November 15. He stated that the next General Member Meeting will be on November 30, 2011 at 5:30 PM at Empire House and the topic of the



meeting will be parking. He said the Parking Committee has been working on the validation program and will be seeing a final report from Walker at that same meeting.

- A. Capano stated the Marketing Committee has been working on Hillcrest Taste n Tinis held on December 15, 2011 and that several pre parties will occur before the event. She stated that the committee has begun work on SHOP Hillcrest for the Holidays campaign for the holiday season and that the Marketing Committee will meet next Monday, November 14 at 2 PM at Hale Media. She reminded the group to attend the member open house on November 30, 2011.
- J. Hale reported that the Hillcrest Hoedown occurred on Sunday, October 16, 2011. He said that the HBA made \$83.00 on the event. N. Moede stated that profits were less than expected due to a conflict with a vendor donation for a mechanical bull that fell through.

Action items

- N. Moede presented the consent agenda, which included the October 2011 Board of Directors' meeting minutes and the September 2011 organizational financials.
 - Motion to approve the October 2011 Board of Directors meeting minutes and the September 2011 organizational financials. M. Wright / G Younger. 11/0/0. The motion passed unanimously.
- M. Brennan presented information on the Pride Flag project. He presented information on three proposals for construction of the Pride Flag and stated that Sunwood Flags came back with the most thorough and competitive bid. The group discussed the fee structure of the contract and agreed to amend the contract to add that payment would occur as follows: 10 percent upon signing of the contract, 40 percent twenty days before construction begins, 40 percent once construction finishes and 10 percent once the final sign off by the City of San Diego occurs along with a lean release.
 - Motion to approve the Sunwood Flags contract for construction of the Pride Flag Project with the stated amendment. M. Brennan / J. Hale. 11/0/0. The motion passed unanimously.
- N. Moede presented an agreement with the GSDBA Foundation to produce Hillcrest Mardi Gras. He stated that the HBA has worked with the GSDBA for a number of years and that the HBA will be taking financial responsibility of the event.
 - Motion to accept the agreement with the GSDBA Foundation to produce Hillcrest Mardi Gras. G.Younger / D. Younan. 11/0/0. The motion passed unanimously.
- N. Moede presented the volunteer agreement with Urban Green for the Pride Flag project. He stated that Urban Green has donated all work up until this point for the project and is willing to continue to donate all the design work for this project. He states that in the contract the HBA would pay up to \$1,200 for an "errors and omissions" policy that covers Urban Green's work.



- o Motion to approve the volunteer contract with Urban Green and for HBA to pay a one-time fee of \$1,200 to cover errors and omissions insurance. J. Hale / G. Younger. 10/0/1. M. Brennan abstained. The motion passed.

The meeting adjourned at 6:05 p.m.

HBIA
Balance Sheet
As of October 31, 2011

	Oct 31, 11
ASSETS	
Current Assets	
Checking/Savings	
10020 - CHASE - Checking	118,384.79
10035 - Comerica - Checking	190,250.00
10040 - CHASE - Money Market	
General	6,263.59
Pride Flag	12,414.49
Total 10040 - CHASE - Money Market	18,678.08
Total Checking/Savings	327,312.87
Accounts Receivable	
12000 - Accounts Receivable	12,364.00
Total Accounts Receivable	12,364.00
Other Current Assets	
10120 - BID Receivable	13,635.18
10125 - MAD Receivable	20,875.50
10130 - SBEP Receivable	0.00
10135 - City Fest Receivable	19,262.79
10145 - Farmers Market Receivable	7,252.83
10155 - Prepaid Expense	2,483.57
10165 - Workers Compensation Deposit	842.00
Total Other Current Assets	64,351.87
Total Current Assets	404,028.74
Fixed Assets	
10200 - Office Furniture & Equipment	13,139.00
10220 - Accumulated Depreciation	-11,752.60
Total Fixed Assets	1,386.40
TOTAL ASSETS	405,415.14
 LIABILITIES & EQUITY	

HBIA
Balance Sheet
As of October 31, 2011

	<u>Oct 31, 11</u>
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	5,647.97
Total Accounts Payable	<u>5,647.97</u>
Other Current Liabilities	
20215 · BID Assessment	636.68
20225 · SBEP Advance	19,139.28
20230 · Sales Tax Payable	449.00
20245 · Pride Flag Deferred Revenue	6,448.00
21000 · Payroll Liabilities	
FUTA Payable	15.63
Vacation Payable	2,073.74
Total 21000 · Payroll Liabilities	<u>2,089.37</u>
Total Other Current Liabilities	<u>28,762.33</u>
Total Current Liabilities	<u>34,410.30</u>
Total Liabilities	34,410.30
Equity	
31100 · Unrestricted Net Assets	369,926.41
Net Income	1,078.43
Total Equity	<u>371,004.84</u>
TOTAL LIABILITIES & EQUITY	<u><u>405,415.14</u></u>

HBIA
Profit & Loss Budget vs. Actual
 July through October 2011

				TOTAL		
	Oct 11	Budget	Variance	Jul - Oct 11	Budget	Variance
Income						
40010 - City Fest Income	-50.00	0.00	-50.00	122,863.79	130,000.00	-7,136.21
40020 - Farmers Market	18,179.86	12,580.00	5,599.86	70,779.11	50,320.00	20,459.11
40030 - SBEP	2,459.66	2,119.00	340.66	5,164.72	4,238.00	926.72
40040 - MAD	10,916.36	15,309.00	-4,392.64	31,090.44	41,511.00	-10,420.56
40045 - MAD Reserve	0.00	1,083.00	-1,083.00	0.00	4,332.00	-4,332.00
40050 - BID	7,484.54	11,810.00	-4,325.46	28,323.28	36,865.00	-8,541.72
40060 - PROW	104.00			261.00		
40080 - Newsletter/Advertising	0.00	80.00	-80.00	0.00	320.00	-320.00
40120 - Interest	1.58	100.00	-98.42	130.33	400.00	-269.67
40135 - Hillcrest Hoedown	26,832.40			35,727.40		
40140 - Banner Space	0.00	300.00	-300.00	0.00	1,200.00	-1,200.00
40145 - Pride Flag	552.00			8,552.00		
40180 - Other Income	500.00	165.00	335.00	500.00	660.00	-160.00
Total Income	66,980.40	43,546.00	23,434.40	303,392.07	269,846.00	33,546.07
Expense						
50000 - Personnel						
50005 - Salaries	12,514.00	9,478.00	3,036.00	43,748.01	41,344.00	2,404.01
50025 - Employer Taxes - Federal	972.95	971.00	1.95	3,371.37	3,582.00	-210.63
50030 - Employer Taxes - State	161.45	0.00	161.45	254.70	0.00	254.70
50035 - Health Insurance	736.00	525.00	211.00	2,311.00	2,100.00	211.00
50040 - Workers Comp Insurance	740.14	128.00	612.14	740.14	512.00	228.14
Total 50000 - Personnel	15,124.54	11,102.00	4,022.54	50,425.22	47,538.00	2,887.22
50045 - Operating						
50050 - Rent Office Space	723.00	725.00	-2.00	2,892.00	2,900.00	-8.00
50055 - Storage	145.00	150.00	-5.00	580.00	600.00	-20.00
50060 - Accounting	1,507.50	1,500.00	7.50	6,023.75	6,000.00	23.75
50065 - Audit	4,000.00	6,375.00	-2,375.00	4,000.00	7,500.00	-3,500.00
50070 - Equipment Purchase	804.77	225.00	579.77	804.77	900.00	-95.23
50075 - Intern/Consultant	431.00	700.00	-269.00	2,976.00	2,800.00	176.00
50080 - Bank & Credit Card Charges	0.00	50.00	-50.00	51.38	200.00	-148.62
50085 - Repair and Maintenance	70.00	100.00	-30.00	833.32	400.00	433.32
50090 - Office Supplies	357.75	266.00	91.75	1,008.47	1,064.00	-55.53
50095 - Postage and Delivery	44.00	42.00	2.00	88.00	168.00	-80.00

HBIA
Profit & Loss Budget vs. Actual
 July through October 2011

				TOTAL		
	Oct 11	Budget	Variance	Jul - Oct 11	Budget	Variance
50100 · Printing/Photocopy	149.02	340.00	-190.98	1,080.93	1,360.00	-279.07
50120 · Meetings	196.51	250.00	-53.49	305.44	1,000.00	-694.56
50125 · Legal	0.00	333.00	-333.00	0.00	1,332.00	-1,332.00
50130 · Telephone & Internet	529.25	445.00	84.25	1,926.17	1,780.00	146.17
50135 · Parking/Mileage	228.00	200.00	28.00	852.99	800.00	52.99
50140 · Depreciation	0.00	100.00	-100.00	173.30	400.00	-226.70
50330 · D & O / Liability Insurance	2,495.25	980.00	1,515.25	3,523.15	3,920.00	-396.85
Total 50045 · Operating	<u>11,681.05</u>	<u>12,781.00</u>	<u>-1,099.95</u>	<u>27,119.67</u>	<u>33,124.00</u>	<u>-6,004.33</u>
51000 · Neighborhood/Promotion						
51520 · City Fest	1,598.95	0.00	0.00	92,606.67	87,000.00	5,606.67
51525 · Promotion/Marketing	285.42	1,250.00	-964.58	400.51	5,000.00	-4,599.49
51526 · Taste	0.00	0.00	0.00	200.00	0.00	200.00
51528 · Amazing High Heel Race	0.00			5,000.00		
51530 · Banners	0.00	502.00	-502.00	0.00	2,008.00	-2,008.00
51535 · Web Site	61.94	138.00	-76.06	224.93	552.00	-327.07
51540 · Business Mixers	0.00	320.00	-320.00	510.13	1,280.00	-769.87
51545 · Newsletter	70.00	492.00	-422.00	1,228.03	1,968.00	-739.97
51555 · Farmer's Market	3,864.30	1,515.00	2,349.30	10,321.51	6,060.00	4,261.51
51570 · Hillcrest Hoedown.	33,287.15			33,936.73		
51575 · Pride Flag Project	552.00			8,552.00		
Total 51000 · Neighborhood/Promotion	<u>39,719.76</u>	<u>4,217.00</u>	<u>33,903.81</u>	<u>152,980.51</u>	<u>103,868.00</u>	<u>49,112.51</u>
53000 · Physical Improvements						
53125 · Hillcrest Sign Utilities/Maint.	60.10	100.00	-39.90	132.98	400.00	-267.02
53130 · Security	3,248.31	3,000.00	248.31	12,764.69	12,000.00	764.69
53135 · Street Cleaning	3,534.00	3,909.00	-375.00	13,224.00	15,636.00	-2,412.00
53137 · Pressure Washing	0.00	3,975.00	-3,975.00	8,632.67	9,925.00	-1,292.33
53150 · Dumpsters	607.74	300.00	307.74	1,695.35	1,200.00	495.35
53155 · Tree Trimming & Maintenance	1,357.00	1,946.00	-589.00	4,960.39	7,784.00	-2,823.61
53160 · Capital Projects	7,518.16	5,000.00	2,518.16	12,518.16	15,000.00	-2,481.84
53165 · Contingency	0.00	4,558.00	-4,558.00	17,860.00	27,879.00	-10,019.00
Total 53000 · Physical Improvements	<u>16,325.31</u>	<u>22,788.00</u>	<u>-6,462.69</u>	<u>71,788.24</u>	<u>89,824.00</u>	<u>-18,035.76</u>
Total Expense	<u>82,850.66</u>	<u>50,888.00</u>	<u>31,962.66</u>	<u>302,313.64</u>	<u>274,354.00</u>	<u>27,959.64</u>
	<u>-15,870.26</u>	<u>-7,342.00</u>	<u>-8,528.26</u>	<u>1,078.43</u>	<u>-4,508.00</u>	<u>5,586.43</u>

HBIA
Profit & Loss by Class
 July through October 2011

	<u>110 GENERAL</u>	<u>210 CITY FEST</u>	<u>410 BID CONTRACT</u>	<u>510 MAD</u>	<u>610 SBEP</u>	<u>TOTAL</u>
Income						
40010 - City Fest Income						
Beer & Wine	0.00	25,154.00	0.00	0.00	0.00	25,154.00
Booth	0.00	63,293.00	0.00	0.00	0.00	63,293.00
Grants						
SBEP City Services	0.00	9,262.79	0.00	0.00	0.00	9,262.79
Total Grants	0.00	9,262.79	0.00	0.00	0.00	9,262.79
Sponsorship						
All Seasons	0.00	1,500.00	0.00	0.00	0.00	1,500.00
Brighter Concepts	0.00	1,500.00	0.00	0.00	0.00	1,500.00
Carmel Partners	0.00	1,750.00	0.00	0.00	0.00	1,750.00
Coamerica	0.00	2,000.00	0.00	0.00	0.00	2,000.00
Coors	0.00	10,000.00	0.00	0.00	0.00	10,000.00
DCSS	0.00	500.00	0.00	0.00	0.00	500.00
Devcon	0.00	1,500.00	0.00	0.00	0.00	1,500.00
PETCO	0.00	1,500.00	0.00	0.00	0.00	1,500.00
Scott Becker	0.00	404.00	0.00	0.00	0.00	404.00
Three Day Blinds	0.00	1,500.00	0.00	0.00	0.00	1,500.00
Young's Market	0.00	3,000.00	0.00	0.00	0.00	3,000.00
Total Sponsorship	0.00	25,154.00	0.00	0.00	0.00	25,154.00
Total 40010 - City Fest Income	0.00	122,863.79	0.00	0.00	0.00	122,863.79
40020 - Farmers Market	70,779.11	0.00	0.00	0.00	0.00	70,779.11
40030 - SBEP	0.00	0.00	0.00	0.00	5,164.72	5,164.72
40040 - MAD	0.00	0.00	0.00	31,090.44	0.00	31,090.44
40050 - BID	0.00	0.00	28,323.28	0.00	0.00	28,323.28
40060 - PROW	261.00	0.00	0.00	0.00	0.00	261.00
40120 - Interest	130.33	0.00	0.00	0.00	0.00	130.33
40135 - Hillcrest Hoedown	35,727.40	0.00	0.00	0.00	0.00	35,727.40
40145 - Pride Flag	8,552.00	0.00	0.00	0.00	0.00	8,552.00
40180 - Other Income	500.00	0.00	0.00	0.00	0.00	500.00
Total Income	115,949.84	122,863.79	28,323.28	31,090.44	5,164.72	303,392.07

Expense

HBIA
Profit & Loss by Class
 July through October 2011

	<u>110 GENERAL</u>	<u>210 CITY FEST</u>	<u>410 BID CONTRACT</u>	<u>510 MAD</u>	<u>610 SBEP</u>	<u>TOTAL</u>
50000 · Personnel						
50005 · Salaries	26,484.34	0.00	12,465.95	0.00	4,797.72	43,748.01
50025 · Employer Taxes - Federal	2,050.72	0.00	953.65	0.00	367.00	3,371.37
50030 · Employer Taxes - State	254.70	0.00	0.00	0.00	0.00	254.70
50035 · Health Insurance	2,311.00	0.00	0.00	0.00	0.00	2,311.00
50040 · Workers Comp Insurance	444.08	0.00	296.06	0.00	0.00	740.14
Total 50000 · Personnel	31,544.84	0.00	13,715.66	0.00	5,164.72	50,425.22
50045 · Operating						
50050 · Rent Office Space	1,557.00	0.00	1,335.00	0.00	0.00	2,892.00
50055 · Storage	580.00	0.00	0.00	0.00	0.00	580.00
50060 · Accounting	6,023.75	0.00	0.00	0.00	0.00	6,023.75
50065 · Audit	0.00	0.00	625.00	3,375.00	0.00	4,000.00
50070 · Equipment Purchase	804.77	0.00	0.00	0.00	0.00	804.77
50075 · Intern/Consultant	2,976.00	0.00	0.00	0.00	0.00	2,976.00
50080 · Bank & Credit Card Charges	51.38	0.00	0.00	0.00	0.00	51.38
50085 · Repair and Maintenance	833.32	0.00	0.00	0.00	0.00	833.32
50090 · Office Supplies	621.42	0.00	387.05	0.00	0.00	1,008.47
50095 · Postage and Delivery	88.00	0.00	0.00	0.00	0.00	88.00
50100 · Printing/Photocopy	875.13	0.00	205.80	0.00	0.00	1,080.93
50120 · Meetings	305.44	0.00	0.00	0.00	0.00	305.44
50130 · Telephone & Internet	1,262.17	0.00	664.00	0.00	0.00	1,926.17
50135 · Parking/Mileage	852.99	0.00	0.00	0.00	0.00	852.99
50140 · Depreciation	173.30	0.00	0.00	0.00	0.00	173.30
50330 · D & O / Liability Insurance	3,198.15	0.00	325.00	0.00	0.00	3,523.15
Total 50045 · Operating	20,202.82	0.00	3,541.85	3,375.00	0.00	27,119.67
51000 · Neighborhood/Promotion						
51525 · Promotion/Marketing	400.51	0.00	0.00	0.00	0.00	400.51
51526 · Taste	200.00	0.00	0.00	0.00	0.00	200.00
51528 · Amazing High Heel Race	5,000.00	0.00	0.00	0.00	0.00	5,000.00
51535 · Web Site	224.93	0.00	0.00	0.00	0.00	224.93
51540 · Business Mixers	510.13	0.00	0.00	0.00	0.00	510.13
51545 · Newsletter	1,061.03	0.00	167.00	0.00	0.00	1,228.03
51555 · Farmer's Market	10,321.51	0.00	0.00	0.00	0.00	10,321.51
51570 · Hillcrest Hoedown.	33,936.73	0.00	0.00	0.00	0.00	33,936.73

HBIA
Profit & Loss by Class
 July through October 2011

	110 GENERAL	210 CITY FEST	410 BID CONTRACT	510 MAD	610 SBEP	TOTAL
51575 - Pride Flag Project	8,552.00	0.00	0.00	0.00	0.00	8,552.00
Total 51000 - Neighborhood/Promotion	60,206.84	0.00	167.00	0.00	0.00	60,373.84
51520 - City Fest						
Advertising	150.00	5,443.34	0.00	0.00	0.00	5,593.34
Ambulance	0.00	1,440.00	0.00	0.00	0.00	1,440.00
BID Crew & Equipment	0.00	2,381.33	0.00	0.00	0.00	2,381.33
City Fees (SDPD/Fire)	0.00	13,611.40	0.00	0.00	0.00	13,611.40
Cleaning Fees	0.00	699.50	0.00	0.00	0.00	699.50
Concessions	0.00	6,248.36	0.00	0.00	0.00	6,248.36
Entertainment	0.00	8,200.00	0.00	0.00	0.00	8,200.00
Equipment Rental	0.00	1,907.48	0.00	0.00	0.00	1,907.48
Event Management	0.00	9,990.03	0.00	0.00	0.00	9,990.03
Ice Trailer	0.00	660.66	0.00	0.00	0.00	660.66
Permits	0.00	464.00	0.00	0.00	0.00	464.00
Power	0.00	5,408.86	0.00	0.00	0.00	5,408.86
Promotions	0.00	1,274.31	0.00	0.00	0.00	1,274.31
Radios	0.00	285.00	0.00	0.00	0.00	285.00
Rentals	0.00	5,906.78	0.00	0.00	0.00	5,906.78
Safety Equipment	0.00	3,476.77	0.00	0.00	0.00	3,476.77
Security	0.00	6,176.54	0.00	0.00	0.00	6,176.54
Shuttle Services	0.00	1,195.73	0.00	0.00	0.00	1,195.73
Sound & Lights	0.00	6,140.00	0.00	0.00	0.00	6,140.00
Staging	0.00	4,920.00	0.00	0.00	0.00	4,920.00
Supplies/Printing	0.00	2,289.24	0.00	0.00	0.00	2,289.24
Toilets/Sinks	0.00	4,337.34	0.00	0.00	0.00	4,337.34
Total 51520 - City Fest	150.00	92,456.67	0.00	0.00	0.00	92,606.67
53000 - Physical Improvements						
53125 - Hillcrest Sign Utilities/Maint.	0.00	0.00	0.00	132.98	0.00	132.98
53130 - Security	0.00	0.00	0.00	12,764.69	0.00	12,764.69
53135 - Street Cleaning	3,306.00	0.00	5,686.32	4,231.68	0.00	13,224.00
53137 - Pressure Washing	0.00	0.00	3,401.67	5,231.00	0.00	8,632.67
53150 - Dumpsters	1,320.35	0.00	0.00	375.00	0.00	1,695.35
53155 - Tree Trimming & Maintenance	429.52	0.00	1,810.78	2,720.09	0.00	4,960.39
53160 - Capital Projects	10,258.16	0.00	0.00	2,260.00	0.00	12,518.16

HBIA
Profit & Loss by Class
 July through October 2011

	<u>110 GENERAL</u>	<u>210 CITY FEST</u>	<u>410 BID CONTRACT</u>	<u>510 MAD</u>	<u>610 SBEP</u>	<u>TOTAL</u>
53165 - Contingency	17,860.00	0.00	0.00	0.00	0.00	17,860.00
Total 53000 - Physical Improvements	33,174.03	0.00	10,898.77	27,715.44	0.00	71,788.24
Total Expense	<u>145,278.53</u>	<u>92,456.67</u>	<u>28,323.28</u>	<u>31,090.44</u>	<u>5,164.72</u>	<u>302,313.64</u>
	<u><u>-29,328.69</u></u>	<u><u>30,407.12</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>1,078.43</u></u>

PRELIMINARY DRAFT – SUBJECT TO CHANGE

Financial Report



Business Improvement Association, Inc.

June 30, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE

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PRELIMINARY DRAFT – SUBJECT TO CHANGE


INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors
Hillcrest Business Improvement Association, Inc.
San Diego, California

We have audited the accompanying statement of financial position of Hillcrest Business Improvement Association, Inc. (the Organization) as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Hillcrest Business Improvement Association. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Organization's 2010 financial statements, and in our report dated September 8, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Hillcrest Business Association's internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hillcrest Business Improvement Association, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Cheryl M. Rhode, CPA
for  EST RHODE & ROBERTS

San Diego, California
September XX, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2011
(With Summarized Financial Information for June 30, 2010)

	<u>2011</u>	<u>2010</u> (Note 7)
ASSETS		
CURRENT ASSETS		
Cash	\$ 348,834	\$ 246,595
Accounts receivable	61,828	68,691
Prepaid expenses	<u>3,961</u>	<u>3,794</u>
Total current assets	<u>414,623</u>	<u>319,080</u>
FIXED ASSETS		
Property and equipment	13,139	13,139
Accumulated depreciation	<u>(11,579)</u>	<u>(10,540)</u>
Net fixed assets	<u>1,560</u>	<u>2,599</u>
Total assets	<u><u>\$ 416,183</u></u>	<u><u>\$ 321,679</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 13,497	\$ 17,111
Deferred revenue	<u>32,760</u>	<u>11,115</u>
Total liabilities	<u>46,257</u>	<u>28,226</u>
NET ASSETS		
Unrestricted	<u>369,926</u>	<u>293,453</u>
Total net assets	<u>369,926</u>	<u>293,453</u>
Total liabilities and net assets	<u><u>\$ 416,183</u></u>	<u><u>\$ 321,679</u></u>

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011
(With Summarized Financial Information for the Year Ended June 30, 2010)

	<u>2011</u>	<u>2010</u> (Note 7)
REVENUES AND SUPPORT		
BID reimbursement income	\$ 87,542	\$ 95,576
City Fest income	135,785	111,307
Farmers Market income	170,508	168,077
Taste of Hillcrest	28,142	34,409
Taste 'N Tinis	13,128	3,817
MAD income	93,739	106,772
Special event income	22,535	17,482
Interest income	778	972
Other grants	12,000	-
Other income	<u>30,027</u>	<u>20,495</u>
Total revenues and support	<u>594,184</u>	<u>558,907</u>
EXPENSES		
City Fest	92,113	88,575
MAD	93,739	106,772
Other program expenses	106,060	117,282
Management and general	<u>225,799</u>	<u>273,701</u>
Total expenses	<u>517,711</u>	<u>586,330</u>
Excess of expenses over revenues and support	76,473	(27,423)
NET ASSETS AT BEGINNING OF YEAR	<u>293,453</u>	<u>320,876</u>
NET ASSETS AT END OF YEAR	<u>\$ 369,926</u>	<u>\$ 293,453</u>

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2011
(With Summarized Financial Information for the Year Ended June 30, 2010)

	2011	2010 (Note 7)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 76,473	\$ (27,423)
Depreciation	1,039	1,040
(Increase) decrease in operating assets:		
Accounts receivable	6,863	(43,749)
Prepaid expenses	(167)	(475)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(3,614)	16,611
Deferred revenue	21,645	(18,336)
Net cash provided by (used in) operating activities	<u>102,239</u>	<u>(72,332)</u>
INCREASE (DECREASE) IN CASH	102,239	(72,332)
CASH AT BEGINNING OF YEAR	<u>246,595</u>	<u>318,927</u>
CASH AT END OF YEAR	<u>\$ 348,834</u>	<u>\$ 246,595</u>

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Hillcrest Business Improvement Association, Inc. (the Organization) was incorporated in the State of California on March 29, 1984 for the purpose of promoting, improving and fostering business conditions in the City of San Diego in the area commonly known as Hillcrest pursuant to City Ordinance 16481. The Organization established and defined a parking and business improvement area as the Hillcrest Business Improvement District under the provisions of the Parking and Business Improvement Area of Law of 1979 of the State of California and enabling ordinances of the City of San Diego.

Method of Accounting – The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred.

Basis of Presentation – The accompanying financial statements are prepared on the accrual basis of accounting.

Net assets and revenues and other support are classified as unrestricted, temporarily restricted, and permanently restricted based on the existence or absence of donor restrictions on when and how the Organization is to use the net assets.

Revenue Recognition – Contributions are recognized as revenue when they are unconditionally pledged.

The Organization reports contributions as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted revenues are reclassified to unrestricted revenues and reported in the statement of activities as revenues released from restrictions. Contributions with donor restrictions requiring the principal gift to be held in perpetuity are reported as permanently restricted. The income earned from such assets is generally restricted to the purpose designated by the donor.

Contributions of service are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization reports such contributions at their estimated fair value when received. During the year ended June 30, 2011, no material contributions of services were recorded.

Cash and Cash Equivalents – The Organization considers all highly liquid debt instruments purchased, with a maturity of three months or less, to be cash equivalents

Property and Equipment – Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets if cost is greater than \$2,000. The Organization expenses all property and equipment purchases under \$2,000.

Deferred Revenue – Deferred revenue consists of City Fest income received in this fiscal year that was not earned until the City Fest event occurred in August of 2011, after the fiscal year end.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status – The Organization is a California non-profit corporation and is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and Section 23701(d) of the California Code and generally is not subject to income taxes. The Organization reviewed its positions for all open tax years and has determined that no provision for uncertain tax positions under FASB Accounting Standards Codification No. 740-10.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain costs have been allocated among the programs activities benefited.

Subsequent Events – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at that date, including the estimates inherent in the process of preparing financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after that date and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through **September XX, 2011**, which is the date the financial statements are available for issuance, and concluded that there were no events or transaction that needed to be disclosed.

NOTE 2. FAIR VALUE

The Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Codification No. 820 (ASC 820), Fair Value Measurements, that establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) of identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices.

PRELIMINARY DRAFT – SUBJECT TO CHANGE
HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. FAIR VALUE (continued)

The management of the Organization is responsible for making the fair value measurements and disclosures in the financial statements. As part of fulfilling this responsibility the management of the Organization has established an accounting and financial reporting process for determining the fair value measurements and disclosures, which identifies and adequately supports the valuation methods and assumptions used and ensures that the presentation of the fair value measurement is in accordance with GAAP.

NOTE 3. REVENUES

The Organization is funded in part by the City of San Diego. The City of San Diego receives funds as a special assessment collected together with business licensing fees from businesses located within the District. In addition, the Organization holds the City Fest annual event and other special events to promote the business and living environment in the area.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

BID reimbursement request	\$ 20,104
MAD reimbursement request	14,766
City TOT reimbursement request	10,659
SBEP City Service reimbursement request	9,263
Farmers Market	4,167
Other	<u>2,869</u>
Total	<u>\$ 61,828</u>

NOTE 5. LEASE AGREEMENT

The Organization conducts its operations from facilities located at 3737 Fifth Avenue, Suite 203, San Diego, California that is leased for \$723 a month under a month to month operating lease.

NOTE 6. CONCENTRATION OF CREDIT RISK

The Organization, at times, maintains cash balances at a bank in excess of the Federal Deposit Insurance Corporation limit. At June 30, 2011, approximately \$95,000 was in excess of the insured amount.

NOTE 7. 2010 FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by fund or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

PRELIMINARY DRAFT – SUBJECT TO CHANGE

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Trustees
Hillcrest Business Improvement Association, Inc.
San Diego, California

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary statement that follows on page 9 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cheryl M. Rhode, CPA
for WEST RHODE & ROBERTS

San Diego, California
September XX, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE

HILLCREST BUSINESS IMPROVEMENT ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

INCOME/EXPENSE STATEMENT, CITY OF SAN DIEGO TOT FUNDS

Year Ended June 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>TOT Funds</u>
Twelve months (July - June) of the corresponding July 1, 2010 through June 30, 2011 allocation period			
Personnel:			
Artistic (all disciplines)	\$ 8,500	\$ 8,899	\$ 8,500
Entertainment	<u>2,500</u>	<u>22,352</u>	<u>2,159</u>
TOT Total Expenses	<u>\$ 11,000</u>	<u>\$ 31,251</u>	<u>\$ 10,659</u>

PRELIMINARY DRAFT – SUBJECT TO CHANGE


***REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE CITY OF SAN DIEGO
COMMISSION FOR ARTS AND CULTURE ALLOCATIONS PROGRAM***

Board of Trustees
Hillcrest Business Improvement Association, Inc.
San Diego, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Hillcrest Business Improvement Association, Inc. as of June 30, 2011, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated **September XX, 2011.**

In connection with our audit, nothing came to our attention that caused us to believe that the Organization failed to comply with the requirements of the City of San Diego Commission for Arts and Culture Allocations Program. However, our audit was not directed primarily toward obtaining knowledge of such non-compliance.

This report is intended solely for the information and use of the Board of Directors, management of Hillcrest Business Improvement Association, Inc., and the City of San Diego Commission for Arts and Culture Allocations Program and should not be used for any other purpose.

Cheryl M. Rhode, CPA
for  WEST RHODE & ROBERTS

San Diego, California
September XX, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE

INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Board of Directors
Hillcrest Business Improvement Association
San Diego, California

We appreciate the opportunity to have conducted your audit this year. As previously discussed, we are writing to you to communicate deficiencies in internal control that we identified during the audit of your financial statements that we determined to be significant deficiencies or material weaknesses. This communication is a requirement of Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit.

In planning and performing our audit of your financial statements for the period ending June 30, 2011 we considered your internal control over financial reporting (internal control) as a basis for designing our auditing procedures, in accordance with generally accepted auditing standards (GAAS). We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hillcrest Business Improvement Association's (the Organization) internal control. Accordingly, as a part of your audit, we are not expressing an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose of conducting your organization's audit and would not necessarily identify all deficiencies in internal control that might be considered material weaknesses or significant deficiencies. However, we did identify certain deficiencies in internal control that we consider to be significant deficiencies that are discussed below.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct misstatements on a timely basis. It is important to note that control deficiencies are problems that you will not necessarily choose to address; however, they do represent potential risks. Our job as your financial statement auditor is to make you aware of and assist you in understanding these material weaknesses and significant deficiencies, assist you in understanding them, and thereby enable you to make informed business decisions about how best to respond to the potential risks. In this year's audit, we identified the following:

Material Weakness – A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Segregation of Duties – The Organization does not have an adequate segregation of duties for effective internal accounting control. We recognize that the Organization is not large enough to make the employment of additional persons practicable for the purpose of segregating duties from a financial view point, but we are required, under our professional responsibilities, to call this situation to your attention.


PRELIMINARY DRAFT – SUBJECT TO CHANGE

Board of Directors
Hillcrest Business Improvement Association, Inc.
Page 2

The basic premise is that no one employee should have access to both physical assets and related accounting records, or to all phases of a transaction. The lack of segregation of duties increases the possibility that intentional or unintentional errors could be made and not detected.

This written communication related to the material weaknesses and significant deficiency identified during this year's audit is intended solely for the information of and use by management of Hillcrest Business Improvement Association, Inc., those charged with the Organization's governance, others you deem appropriate within your organization, and any governmental authorities that require you to submit this information. It is not intended for use by anyone other than these specified parties.

We appreciate the opportunity to have conducted your organization's audit.

Cheryl M. Rhode, CPA
for  EST RHODE & ROBERTS

San Diego, California
September XX, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE

To: Board of Directors
Hillcrest Business Improvement Association

In performing our audit of the financial statements of Hillcrest Business Improvement Association (the Organization) as of June 30, 2011, we noted a matter involving internal control that we consider to be a material weakness in internal control as indicated in our letter dated **September XX, 2011**.

Below are additional recommendations based on observations resulting from our audit procedures.

Document retention policy – While we noted that the Organization has instituted an accounting policies and procedures manual to aid staff and the outside bookkeeper in the proper accounting and record keeping for the Organization, we also noted that the procedures were lacking a document retention policy. We recommend that in addition to the general accounting policies, the Organization include policies for document retention.

Investment policy – During our audit we noted that the Organization does not have an investment policy. While the Organization is not currently making investments, the opportunity may present itself in the future and management should have the proper guidelines on the types of investments acceptable to the Organization. We recommend that the Organization establish an investment policy.

Employee Manual – While we noted that the Organization is currently working from a draft employee manual, we also noted that this manual has not been approved by the board of directors. We suggest that the board of directors review and approve the manual if there are not changes to ensure that the employees are following guidelines set by the board and to reduce the risk of employees misunderstanding what is expected of them.

Functional Allocation of Expenses – During our audit, we noted that the Organization does not have a written policy for the allocation of expenses to program, management, general and fundraising. While some expenses are direct, some must be allocated to the various programs. We suggest the Organization do a time study in order to accurately allocate personnel and other operating costs.

Credit Card Policy – During our audit we noted that the Organization has implemented a written credit card policy however, we noted that authorized users are not required to sign an agreement related to the credit card. We recommend that the Organization require all employees authorized to use credit cards to sign a copy of the policies and procedures showing that they have read and understand them.

This report is intended solely for your internal use and is not to be referred to, or presented to, anyone outside Hillcrest Business Improvement Association for any purpose because of the restricted nature of our work.

Cheryl M. Rhode, CPA
for WEST RHODE & ROBERTS

San Diego, California
September XX, 2011

PRELIMINARY DRAFT – SUBJECT TO CHANGE

September XX, 2011

Board of Directors
Hillcrest Business Improvement Association
3737 Fifth Avenue, Suite 202
San Diego, CA 92103

Ladies and Gentlemen:

We have audited the financial statements of Hillcrest Business Improvement Association (the Organization) for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to our dated May 20, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices – Management is responsible for the selection and use of appropriate policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for uncollectable accounts and depreciation – The allowance for uncollectable accounts is based on the historical collection rates and an analysis of the collectability of individual amounts, while depreciation is based on the useful lives of the assets.

Difficulties Encountered in Performing the Audit – We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements – Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

PRELIMINARY DRAFT – SUBJECT TO CHANGE

Board of Directors

Hillcrest Business Improvement Association

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September XX, 2011

Disagreements with Management – For purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants – In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues – We generally discuss a variety of matters, including the applications of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our response were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

This information is intended solely for the use of Board of Directors and management of Hillcrest Business Improvement Association and is not intended to be and should not be used by anyone other than these specified parties.

Cheryl M. Rhode, CPA
for WEST RHODE & ROBERTS



Benjamin Nicholls <benjamin@hillcrestbia.org>

IHO - Support for CMT amendments

1 message

Walt Chambers <WaltSDCA@aol.com>

Fri, Nov 18, 2011 at 11:52 AM

To: Benjamin Nicholls <benjamin@hillcrestbia.org>

Dear Ben,

As you know, the Uptown Interim Height Ordinance (IHO) is set to expire in January 2012. The City Council has requested that the Development Services Department propose a new IHO that is co-terminus with the Uptown Community Plan Update.

In October, the DDS Code Monitoring Team reviewed the proposed new IHO, and voted unanimously to make two amendments.

- 1.) Discretionary Process 4 be allowed for building height limits north of Upas Street (Hillcrest & Mission Hills). Process 4 is already allowed south of Upas Street.
- 2.) That the new IHO sunset after 30 months, with two discretionary 180 day extensions.

The Hillcrest Business Association's "Hillcrest 2.0" report aligns closely with the CMT's recommendations in regards to building heights and variances. I, along with some other Uptown residents, have started a group called [I.H.NO](#), which also supports the CMT's recommended amendments. We believe it is best for Uptown development, business, and will help create a thriving community.

I am writing to ask that the HBA join [I.H.NO](#) in support of the amended IHO as recommended by the DDS Code Monitoring Team. In light of HBA's Hillcrest 2.0 report, for which HBA spent hours of time and received tremendous community input, I hope that the HBA will stand with [I.H.NO](#) and support the CMT's recommendations.

Unfortunately, the original IHO supporters from 2007-08 reject the CMT recommendations, and are fighting for an IHO that does not allow variances, and that does not sunset. Action is needed quickly to counter their vocal and organized opposition.

The Planning Commission is set to take up the issue at their meeting on December 8th. They will be deciding on the final recommendation to be made to the City Council. I hope you and the HBA can join us at that meeting to express our support for the CMT amendments, and for a more vital Hillcrest and Uptown.

Please let me know if you have any questions. Thank you very much for your consideration.

Sincerely,

Walter Chambers

[I.H.NO](#)



Facebook: <https://www.facebook.com/pages/IHNO/124622307641466?sk=wall>

Contracting Agreement

December 13, 2012

This Agreement (the "Agreement") is executed by Hillcrest Business Improvement Association, a California not for profit corporation (hereinafter referred to as "HBA") whose address is 3737 Fifth Avenue #202 San Diego, CA 92103 and McFarlane Promotions (hereinafter referred to as "Consultant"), whose address is 656 Fifth Ave. San Diego, CA 92101. HBA and Consultant are sometimes hereinafter collectively referred to as the "Parties" or individually as a "Party".

Hillcrest Business Association undertakes special events as part of its promotional programs throughout the year and is seeking an event production company to implement elements of these events. The Taste of Hillcrest is an annual restaurant sampling event that will occur on April 21, 2012.

Services to be provided

Consultant shall manage the event on behalf of the HBA in accordance with the provisions set forth in Attachment A attached hereto and made a part hereof for all purposes.

Terms and termination

Either Party may cancel this Agreement at any time after date of signing upon 30 days written notice to the other Party.

Independent contractor status

Consultant is an independent contractor and is not an employee of HBA. Staffing costs relating duties described in Attachment A will be borne by Consultant, including requirements for the provisions of Workers Compensation Insurance and any and all local, state and federal payroll taxes, and any tax liability related to Consultant and their staff.

Governing law

Contractor shall at all times comply with all applicable laws, statutes, ordinances, and regulations of the City, county, state, and federal governments. Subcontractor shall also comply with all notices issued by the City under the authority of all current or future laws, statutes, ordinances, or regulations.

Consultant shall defend, indemnify, protect, and hold harmless the City and HBA, their elected officials, departments, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for unpaid taxes or tax claims related to Consultant's employees.

Conflict of interest

Contractor shall comply with all federal, state, and local laws, including conflict of interest laws, statutes, ordinances, regulations, and policies of the City related to public contracts and procurement practices to the extent applicable. HBA and Contractor are

unaware of any financial or economic interest of any public officer or employee of the City relating to this agreement. Contractor has been made aware of the HBA's Conflict of Interest policy (attachment B).

Insurance

As required by the City of San Diego, HBA agrees to maintain an insurance policy to cover the Taste of Hillcrest in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate and shall name Consultant as an additional insured.

Consultant shall provide commercial general liability insurance, naming HBA and the "The City of San Diego, its elected officials, officers, employees, representatives, and agents" as additionally insured in the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate. The policy shall be kept in force for the duration of the Term and any extended use. Consultant shall have forty-five (45) days from the execution of this Agreement to obtain said insurance and to provide HBA with proof of insurance. All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the current AM Best Ratings Guide. Non-admitted surplus lines insurers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements. If City is made a party to any judicial or administrative proceeding to resolve the dispute between HBA and Consultant, Consultant shall defend and indemnify the City as described herein.

Consultant shall provide workers' compensation insurance, as required by the laws of the State of California for all of Contractor's employees who are subject to this Agreement, with employers' liability coverage with a limit of at least one million dollars (\$1,000,000). It is the responsibility of the Consultant to provide proof of workers compensation insurance to the City or to provide the City with any and all necessary documentation to prove Consultant does not require workers compensation insurance.

Consultant shall defend, indemnify, protect, and hold harmless the City and HBA, their elected officials, departments, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for damages or injuries resulting from any workers compensation claim or claim for damages or injuries by any employee or sub-contractor of Consultant.

Payment

The HBA will pay a total fee of \$8,000 for the services described in Attachment A. Fifty percent of the fees shall be paid after the signing of this contract and the balance within two weeks of the completion of the Taste of Hillcrest.

All bills and invoices from third party contractors will be delivered to HBA within 30 days of the event date. In the case that this does not occur the bills will become the responsibility of the Contractor.

Ownership

The Taste of Hillcrest is, and always has been, the property of HBA. Ownership includes ownership of the name "Taste of Hillcrest", HBA retains the exclusive rights to sell any HBA related merchandise and tickets and to conduct promotions for any business relating to Hillcrest and the HBA.

Agreements with third parties

Contractor shall disclose and provide copies of all agreements with third parties relating the project including rental agreements, service contracts, entertainment agreements, sponsorships, in-kind donations, special payments, and mutual benefit arrangements. Unwritten agreements shall be unacceptable.

Marketing, logos and sponsor recognition

Taste of Hillcrest logo shall be used on all promotional and signage elements for the event including banners, signs, advertising and otherwise. This event shall be clearly described as "Taste of Hillcrest". Any sponsorship agreements shall not create the impression that the event is owned by any third party. Materials printed prior to the signing of this Agreement are accepted for one year.

Arbitration

If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try in good faith to resolve the dispute by mediation administered by the American Arbitration Association under its rules, before resorting to arbitration. Thereafter, any unresolved controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Arbitration Rules, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof pursuant to applicable law.

No joint venture or partnership

This Agreement shall not be construed or interpreted to create or establish any joint venture or partnership between the parties.

Integration

This Agreement supersedes all prior or contemporaneous agreements, understandings, promises, representation, and discussions, whether written or oral, or whether expressed, implied or apparent and are hereby deemed merged into and made a part of this Agreement. The terms of this Agreement are contractual and not merely a recital. No waiver or modification of any term of this Agreement shall be valid or binding unless in writing and executed by all of the Parties.

Assignment

This Agreement and the rights and obligations accruing to the Parties hereto shall not be assigned or delegated without the consent of the other Party; and such consent shall not be unreasonably withheld. Notwithstanding the foregoing or any other provision contained herein to the contrary, Consultant may assign this Agreement and all rights pertaining thereto and delegate all of his obligations to a third party upon approval of the board of directors of the HBA.

Equal employment and nondiscriminatory provisions

Consultant shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Consultant's activities pursuant to this Agreement, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment. Consultant shall comply with City Council Ordinance No.18173 (San Diego Municipal Code sections 22.2701 through 22.2708, as amended), EQUAL EMPLOYMENT OPPORTUNITY OUTREACH PROGRAM, a copy of which is on file in the Office of the City Clerk and by this reference is incorporated into this Agreement. Consultant is individually responsible to abide by its contents. Consultant shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; and any other applicable federal and state laws and regulations hereafter enacted. Consultant shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Consultant may be required to comply, and require each of its Subcontractors to comply, with the provisions of the City's Living Wage Ordinance. It is the responsibility of the Consultant to determine if compliance is required. Consultant is required where applicable to comply with the Americans with Disabilities Act, the City of San Diego Drug Free Workplace requirements, and Storm Water Management and Discharge Control Ordinance.

Representations and warranties

Each Party represents and warrants to the other that it has all necessary power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The Agreement has been duly and validly executed and delivered by the Parties and constitutes the valid and binding agreement of that Party, fully enforceable against that Party in accordance with their respective terms. To the best knowledge of each Party, all consents, approvals, orders or authorizations of, or registration, declaring or filing with, any governmental authority in connection with the execution and delivery of the Agreement or the consummation of the transactions contemplated hereby have been obtained.

Supervision

Contractor shall provide supervision adequate to insure that the services rendered pursuant to this agreement are of high quality.

No joint venture or partnership

This agreement shall not be construed or interpreted to create or establish any joint venture or partnership between the parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on _____, at _____, California.

Hillcrest Business Association

Consultant

Initial: _____/_____

By: _____

Nicholas Moede
President, HBA
ADDRESS:
3737 Fifth Ave. #202
San Diego, CA 92103
(619) 299-3330 Tel.
(619) 299-4230 Fax.

By: _____

:

- Attachment A: Scope of services

Attachment A: Scope of Services

McFarlane Promotions will provide the following promotional services:

Television

- Listing on events calendar on screen
- Will pitch live spots for pre-event & day of coverage
- Pitch weather remote reports from the event.
- Act as media liaison, generate & distribute press releases, PSAs, media alerts, etc.

Radio

- Coordinate to secure radio stations to be the radio sponsor for The Taste of Hillcrest. Radio sponsors will start promotion two weeks out and increase coverage as the event gets closer to the date.

Additional PR/promotion plan

- February: initial calendar item release to all media
- February :initial press release
- March : PSA release via fax to radio studios
- April: 1st media alert
- McFarlane Promotions will also offer:
 - Placement of promotional material (flyer, poster, etc.) in Hillcrest restaurants
 - Personally contact local merchants to support event.

Logistical services

- Coordinate printing of flyers, tickets, posters, sponsor proposal packages, fact sheets, surveys, maps, parking passes, etc;
- Coordinate with the HBA to create an event format:
 - Sign up participating restaurants
 - Liaison to all participating restaurants
 - Assist HBA in securing media, beverage and financial sponsorships for the event
 - Disseminate information about the event at other local events, at hotels, and downtown residences, prior to the event
 - Day of event coordination
 - Coordinate volunteer packets
 - Secure shuttle transportation
 - Set up registration for day of event
 - Sign up 'Click it and Print' it for selling tickets
 - Answer information questions from the public for the Taste of Hillcrest

Sidewalk Sale

- Sign up participating retail shops to participate in the sale with a minimum of 40 participants
- Liaison to all retailers

- Disseminate information about the event to the retailers so they are prepared and ready to present their sale on the day of event
- Secure promotion from each retailer to go in the program
- Make sure each retailer has a table outside their store and if they need a table coordinate and secure through the BID council
- Staff to go around on the day of to make sure all retailers are set up, signage is placed out and to answer all questions from retailers
- Answer information questions from the public for the Sidewalk Sale
- Make sure to incorporate Sidewalk Sale into all promotional materials and TV spots
- Will give Hillcrest Business Association email list from on-line tickets

Hillcrest Business Association will:

- Pay any and all expenses
- Manage the accounting
- Assist with securing volunteers for the day of
- If requested provide contractor with an up to date list of retailers and restaurant owners/mangers

Statement of Operating Procedures:

7. Conflict of Interest Policy

Officers, directors, members, committee members, staff members, and volunteers of the Hillcrest Business Association (HBA) shall avoid taking actions that give the appearance of being motivated by private financial gain. Such persons are subject to all applicable federal, state, and local conflict of interest laws, regulations, and policies, including but not limited to California Corporations Code sections 7230-7238 (applicable to nonprofit corporations) and California Corporations Code sections 5230-5240 (applicable to nonprofit public benefit corporations). This policy is not intended to supersede, negate or otherwise invalidate any statute, ordinance or policy, but is intended to supplement authorities governing these subjects.

No contract may be entered into by the Hillcrest Business Association if one of its' officers, members, directors, committee members, staff members or volunteers has a material financial interest in the contract or transaction, except in the following circumstances:

- (1) the material facts as to the contract or transaction and as to the party's interest are fully disclosed or known to the member, board or committee voting on the matter;
- (2) the contract or transaction is approved by the members, board or committee in good faith, by a vote sufficient without counting the vote of the interested party or parties;
- (3) the interested party or parties abstains from voting on the matter;
- (4) the contract or transaction is just and reasonable to the Hillcrest Business Association at the time it was authorized, approved or ratified;
- (5) the interested party or parties shall not actively participate in the decision about the contract or transaction, except to answer questions or provide a broad explanation;
- (6) the action is recorded in meeting minutes, noting which members voted, how the members voted, and identifying any members who abstained from voting.

A violation of any provision of this policy shall be grounds for removal of the officers, directors, members, committee members, staff members or volunteers from their positions with the HBA. A contract or transaction entered into in violation of this Conflict of Interest Policy shall be void and unenforceable.

I have read and understood the above Conflict of Interest Policy and agree to abide by its terms and provisions.

Name (print): _____

Signature: _____

HBA Position: _____

Date: _____

Status: Approved: 12/8/2009