



Medical SSMID Commission Meeting Minutes

November 13, 2019, 8:00 a.m. – 9:30 a.m., First Avenue Executive Suites

Present: John Albert, Tim Charles, Gordon Epping, Michelle Jensen, Suzy McGrane-Hop, Karen Smith, Julie Sterling, Mike Sundall

Absent: Mary Meisterling, Michelle Niermann, Okpara Rice, Sarah Wickenkamp

Guests: Dale Todd – City of Cedar Rapids City Council

Staff: Jessica Komisar, Tyanna Stephenson, Phil Wasta

Welcome & Call to Order

Smith welcomed everybody and called the meeting to order at 8:01 a.m.

Consent Agenda

Sundall moved approval of the September minutes with Albert seconding. The September minutes were unanimously approved.

Jensen moved approval of the June End of Year Financials with McGrane-Hop seconding. The June End of Year Financials were unanimously approved.

Epping moved approval of September and October financials with Albert seconding. The September and October financials were unanimously approved.

Charles moved approval of July-September SSMID and MedQ, Inc. investment reports with Albert seconding. Wasta commented that all fund balances are operating within the Investment Policy Statement percentages. The July-September investment reports were unanimously approved.

FY'21 Medical SSMID Levy Rate & FY'20, FY'21 Revised Budgets

Levy Rate

Smith said there have been concerns expressed from some stakeholders that we are taxing but not spending, reserves are too large, and the taxes/contributions paid by the three largest property owners (PCI, Mercy & St. Luke's) are out of balance. The commission reviewed the documents. Wasta said we continue to receive feedback that physical improvements in the district are a high priority by stakeholders. To address the concerns the proposed solution is to reduce the levy rate from \$3.25 to \$2.75, which would also match the Downtown SSMID rate, and utilize some of the SSMID and MedQ, Inc. reserves for the 2020 parkway improvements. If we go this route, we can pay as we go for parkway improvement priorities 2 and 4 (1st Avenue from 6th to 10th Street).

Charles said since the original formation of the MedQuarter, Mercy has re-classified some properties that are no longer taxable thereby reducing the overall contribution to the SSMID. This has resulted in a greater difference between what Mercy pays and what St. Luke's pays. Charles will set up a meeting with Niermann to discuss voluntary contributions. Wasta said he met with Niermann who expressed support of using \$250k of MedQ, Inc. reserves towards parkway improvements in 2020 and said she would like to see a 3-year projection for future budgets. Epping wanted to make the commission aware that the timeline for bonding will be off the table soon because there will not be enough years left on the SSMID's 20 year window to go in that direction. Sundall expressed concerns that the healthcare providers operate in a fixed payment system therefore are not able to raise the price of a product or service to their customers to pay taxes, etc. which decreases their profits. Sundall suggested that a cap be implemented for large property owners based on property taxes. Wasta said when he reviewed this idea with the City Attorney it was not considered a viable option. There was general discussion about how the SSMID could continue to implement district improvements on a pay as we go basis and still provide relief to the stakeholders. Wasta will continue to explore options.

FY'20 & FY'21 Revised Budgets

Wasta presented FY'20 and FY'21 revised budgets which represent a 15% reduction due to the FY'21 levy rate decrease. FY'21 SSMID and MedQ, Inc. original budgets versus new recommendation items include:

- Total Income – original: \$406k, recommendation: \$348k, total change: \$57k
- Bond Payment Allowance – original: \$175k, recommendation: \$0, total change: -\$175k
- Comprehensive Gateways – original: \$60k, recommendation: \$0, total change: -\$60k
- Parkway Improvements – original: \$0, recommendation: \$369k (SSMID) \$530k (MedQ, Inc.), total change: +\$900k
- Projected funds available at the end of FY'20 before parkway improvements – SSMID: \$573k, MedQ: \$992k
- Projected funds available after parkway improvements – SSMID: \$406k, MedQ: \$462k

Epping moved approval of reducing the levy rate for FY'21 from \$3.25 to \$2.75 as well as the Revised FY'20 & FY'21 Budgets with Sterling seconding. The motion was unanimously approved.

Core District Summit

Smith said representatives from all three SSMIDs met for their second meeting of 2019. They discussed accomplishments from 2019 and goals for 2020. It was interesting to see what the other districts are doing. MedQ shared updates on 10th Street construction, Summer in the Q events and the MedQuarter Mile. There was a lot of interest from the other districts on our child care initiative and they would like to sit in on the report-out from the feasibility study once available. Charles reiterated that he has a concern of duplicating efforts and salaries amongst the three districts with regard to management and administration and will continue to look at ways to consolidate. It was good to hear the different types of progress being made in other districts as well.

Executive Director's Updates

10th Street Construction

10th Street construction from 3rd to 5th Avenues was finished by November 8th. New updates include the pedestrian crosswalk with safety lights, new landscaping and wall in front of McKinley Middle School, 21 new trees and bike lanes. Sterling asked if there is any solution to the area by the post office. Wasta said there is now no on-street parking on the south side of 7th Street and police officers are working on making sure semis aren't being parked there overnight. Wasta said he will reach out to the postal director in hopes they will add slats in their fencing to make it more visually appealing and will continue to look into this situation.

Child Care Center Feasibility Study Update

Charles said after the core district meeting, it is clear that every business that has a young workforce population is struggling with the issue of affordable and accessible child care, specifically for drop-in care and sick child care. If other businesses are wanting to use this for workforce attraction, they will need to financially contribute as well but Charles said his initial feeling is there will be a lot of companies that will be willing to do so.

Wasta said in his last update from Mills Consulting, they are going through the survey data and have a target report-out for mid-December.

Other Business

PCI is hosting their Pictures with Santa event on Saturday, December 7th.

There will be 60 lit trees for the holidays along 10th Street from A Avenue NE to 8th Avenue SE and 6 trees lit in the MedQ Park on 3rd. There will be an official Facebook post about this décor on Saturday, November 30th.

Adjourn

Jensen moved to adjourn the meeting with Charles seconding. The meeting was adjourned at 9:16 a.m.