Downtown Lexington Management District
Board of Directors Meeting Minutes

Date: May 6, 2026
Location: McBrayer PLLC Offices & Zoom
Start Time: 8:30 AM
Adjournment: 9:57 AM

1. Call to Order

Chair Dougie Allen called the meeting to order and welcomed attendees. A quorum was present.

2. Roll Call & Introductions

- **Board Members / Representatives:**
  Dougie Allen, Dennis Anderson, Clay Angelucci, Kevin Atkins (remote), Liza Betz, Laura Boison, Juan Castro, Martha Cosby, Tom Eblen, Beverly Fortune, Kara Legg, Allen McDaniel (remote), Sam Overbee, Thomas Pettit, Brian Powers, Fausto Sarmiento (remote), Rachel Savane

3. Approval of Minutes (Previous Meeting)

Discussion included corrections to attendance (Thomas Pettit) and inclusion of motions and seconds.

Motion to approve minutes as amended:

- **Motion:** Thomas Pettit
- **Second:** Clay Angelucci
  Approved unanimously.

4. Community Partner Updates

- LexPark (Laura Boison)
  - Reported ongoing garage improvements and approval of its budget by City Council.
  - Free parking during snow emergencies was reiterated.
- Downtown Lexington Partnership (Dougie Allen [Allen McDaniel had technical difficulties joining])
  - Updates from Downtown Lexington Partnership included upcoming events and website launch.

5. Financial Report (Juan Castro)

Juan presented the April 2026 financial reports, including monthly activity, year-to-date performance, comparative prior year analysis, and balance sheet.

Key Financial Highlights:

- The district is currently in the expected **seasonal operating deficit period** (April–October), during which expenses exceed revenue due to the timing of property tax distributions earlier in the fiscal year.
- April showed a monthly deficit of approximately **$35,742**, which is consistent with historical trends.
- Year-to-date, the district maintains a **positive fund balance of approximately $206,454**, sufficient to cover obligations through the remainder of the fiscal year.
- Total revenue collections for the fiscal year are **exceeding prior-year performance by approximately $36,000**, representing the strongest post-COVID year to date.
- Increased collections are attributed to improved compliance and engagement with property owners.

Revenue Observations:

- No significant new revenue is expected until the next tax collection cycle, aside from interest earnings and occasional late tax payments reflected in penalties and interest.
- A previously unrecorded invoice of **$924.92** from the prior fiscal year was identified and absorbed without material impact.
- Additional late tax payments continue to be received intermittently.

Expense Observations:

- Regular contractual services (Block by Block) continue on a **fixed monthly basis (~$33,000)**.
- No recent invoices have been received for "**hospitality ambassador" services**, and the status of that program is under review.
- "Ambassador Care" allocation ($500) remains available for periodic appreciation events.

Balance Sheet / Cash Position:

- Total cash and reserves exceed **$600,000**, with funds distributed across operating and interest-bearing accounts.
- Approximately **$25,000 remains reserved for supplemental security services**, though current-year expenditures have been reimbursed by the City.
- Discussion occurred regarding optimizing idle cash by increasing allocations to **interest-bearing accounts**, with flexibility to transfer funds monthly.

Accounts Receivable Discussion:

- Board discussed the potential existence of **delinquent district tax payments** (properties in arrears).
- The exact scope and number of delinquent properties is unknown.

- The Executive Committee will request data from the Sheriff's Office to evaluate potential exposure and determine next steps.

Grants & Encumbrances:

- Property Improvement Grants are **encumbered in the year approved** but often paid in subsequent fiscal years due to project timelines.
- Board emphasized the importance of timely submission of approved grant documentation to ensure proper accounting treatment.

Motion to approve financial report:

- **Motion:** Thomas Pettit
- **Second:** Rachel Savane
  Approved unanimously.

6. FY 2026–2027 Budget Proposal

Juan presented the proposed **FY 2026–2027 operating budget**, emphasizing conservative revenue planning and increased reinvestment in downtown improvements.

Revenue Assumptions:

- Property tax revenue is projected at **95% of prior-year collections (~$560,633)** to maintain a conservative cushion and avoid over-commitment of resources.
- Penalties and interest are **not budgeted** due to high variability and lack of predictable trends.
- The budget includes **City of Lexington funding for supplemental security**, updated to **$50,000** (an increase from the initially proposed $40,000).
- Total projected revenue: **~$566,926**

Key Budget Priorities & Changes:

1. Property Improvement Grants (Major Increase)

- Increased from **$27,000 to $42,000 (~56% increase)**
- Reflects strong board support for reinvesting tax dollars directly into downtown property enhancements
- Recognized as one of the most visible and impactful programs

2. Art Grants (Reduction)

- Reduced from **$10,000 to $5,000**
- Based on low utilization in recent years

- Board expressed interest in improving outreach and utilization moving forward

3. Block by Block Services

- Budget includes a **projected 4–6% contract increase**, consistent with historical adjustments
- Remains the largest operational expense and core service of the district

4. Hospitality Ambassadors

- Reduced from **$15,000 to $5,000**
- Reflects significantly lower-than-expected utilization and lack of recent invoicing
- Program status to be clarified

5. Management & Administrative Services

- Maintained with a modest contingency buffer to allow flexibility for unexpected costs or support needs
- Includes website, communications, and administrative oversight

6. Security Funding

- Additional **$50,000 City reimbursement** anticipated for supplemental downtown security in FY 2026-2027
- Separate internal reserve of **$25,000** remains available for early deployment if needed

Budget Philosophy:

- Maintain **conservative revenue projections**
- Preserve **strong cash reserves**
- Prioritize **visible, community-facing improvements**
- Retain **operational flexibility** to adjust allocations as needed

Board Discussion Highlights:

- Strong support for increased investment in property improvement grants
- Recognition that grant programs may require **additional marketing and outreach**
- Clarification that the Board retains flexibility to **reallocate funds during the fiscal year** as opportunities arise

Motion to approve FY 2026–2027 Budget (including updated $50,000 City funding):

- **Motion:** Kevin Atkins

- **Second:** Clay Angelucci
  Approved unanimously.

7. Block by Block Report

David Warren was absent. Ambassador appreciation efforts recognized and strong service performance noted.

8. Marketing & Administration Report (Brian Powers)

Property owner surveys distributed, social media engagement increased, and website improvements underway.

9. Chair Remarks / Strategic Discussion (Dougie Allen)

- Discussion on leveraging 10-year recertification and expanding retail and economic activity downtown.
- Board reviewed preliminary proposal related to PILOT agreement for a downtown redevelopment project. Further review planned by executive committee.

11. LFUCG Updates (Tom Eblen)

Pedestrian Safety Improvements:

- A **new raised pedestrian crossing** is planned for installation on **Short Street near Tandy Park**.
- The project has already been funded and is expected to be installed **summer 2026**.

Parking & Traffic Management Ordinance (Bike Lanes):

- LFUCG is developing an ordinance to **prohibit parking in designated bike lanes**, unless explicitly marked otherwise.
- The proposed ordinance would:
  - Enhance safety for cyclists and pedestrians
  - Reduce traffic disruptions caused by improperly parked vehicles

Loading Zone & Delivery Challenges:

- Discussion highlighted that many bike lane and traffic issues stem from a **lack of designated loading zones**, particularly for delivery vehicles.
- The proposed ordinance includes provisions for:
  - **Short-term (approximately 10-minute) loading/unloading allowances**

    - Improved enforcement of long-term parking restrictions

- Additional evaluation of downtown loading infrastructure is underway to support businesses while maintaining traffic flow and safety.

Rideshare / Traffic Flow Considerations:

- Board discussion identified **rideshare (Uber/Lyft) staging and pickup activity** as an ongoing contributor to congestion, particularly along Main Street.

12. Adjournment

Motion to adjourn:

- **Motion:** Dougie Allen
- **Second:** Clay Angelucci
  Approved unanimously.