GOVERNING THE BENEFITS DISTRICT

A Manual on Governance for the Board of Directors of the Charles Village Community Benefits District Management Authority

VOLUME I:
MANUAL AND PRIMARY DOCUMENTS
GOVERNING THE BENEFITS DISTRICT
A Manual on Governance for the Board of Directors of the
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Introduction: “Welcome to the Board!”

Welcome to the Board! The Board of Directors governs the Charles Village Community Benefits District Management Authority. This manual describes the means by which the Board governs and the issues involved in doing so. It is designed to familiarize new Board members with their role as Directors.

Appointment to the Board is an honor. It is also a responsibility. Members are entrusted by City officials, constituents, and neighborhood associations with the governance of the Benefits District. Among other important obligations, governance involves selecting, supervising and evaluating the Executive Director, deciding what services the organization will offer to the community and overseeing them, and overseeing its finances in a conscientious, business-like manner.

Board members are challenged to solve complex problems of governance, a difficult task demanding a heavy commitment of time. The Board’s work determines what the Benefits District will accomplish in the near future and, indirectly, how it will be managed from day-to-day; it may even affect its financial health for many years. Like parenthood, directorship is a job for which few are formally trained; yet the new director, like the new parent, is expected to start work immediately and somehow know the right things to do. Mindful that this can be a confusing task, Governing the Benefits District is offered to new directors as a primer. The hope is that it will make the learning process less arduous.

Written for new directors, this manual may also be useful to experienced members. Governance is a complex process; the more one learns about it, the more it seems there is to know. As directors gain experience and perhaps become officers, they may want to explore specific issues in greater depth. The subjects discussed in these pages serve as a basis for their continuing education by highlighting issues, promoting discussion from time to time, and pointing the way to additional sources of learning.

Governing the Benefits District is divided into 8 chapters. The first 4 explain the nature of the organization, the composition of the Board, how the Board and its committees conduct business, and the special relationship between the Board and the Executive Director. Chapters 5 – 8 discuss the CVCBD committees in detail: Executive Committee, Finance Committee, Program Committee and Governance Committee. The manual is accompanied by documents referred to in the text.

Primary Documents:

The documents members may use often are located either at the end of the chapters as “exhibits” or at the end of the manual as Documents. These are listed below:

Document A: Baltimore City Code Article 14, Subtitle 6
Document B: Bylaws
Document C: Committees and Descriptions
Document D: Conflict of Interest Policy
Document E: Open Meetings Act

1 Also known as the Benefits District, the Authority or CVCBD.
Introduction: Welcome to the Board!

Document F: Robert’s Rules of Order (Summaries)
Document G: Example of an annual CVCBD Audit
Document H: Executive Director Performance Evaluation
Document I: Example of a CVCBD “Baseline Agreement with the Community”
Document J: “Rat Abatement” Contract
Document K: Fall Leaf Removal Contract
Document L: Quad Elections Procedures

Other documents that members are not likely to refer to very often are kept in a separate volume in the conference room library. These Secondary Documents are listed below:

Volume II: Secondary Documents (kept in conference room library)

Secondary Document B: Lease on 2434 St Paul Street
Secondary Document C: Director’s and Officers’ Insurance
Secondary Document D: Liability Insurance
Secondary Document E: Property Insurance
Secondary Document F: Automobile Insurance
Secondary Document G: Workers’ Compensation Insurance

Resource Library:

Board members may explore particular subjects further by reading books on governance in our conference room library including:

- *Board Fundamentals – Understanding Roles in Nonprofit Governance* by Berit M. Lakey
- *Robert’s Rules for Dummies* by C. Alan Jennings
- *The Nonprofit Board Answer Book – A Practical Guide for Board Members and Chief Executives* published by BoardSource

Once again, “Welcome to the Board!” and “Thank you!” in advance for your service.
Chapter 1: The Charles Village Community Benefits District

Mission

The Charles Village Community Benefits District Management Authority is a special taxing district, 1 of 37,381 in the United States in 2007. Special taxing districts have a long history starting in England when an act of Parliament in 1532 established the King’s Commission of Sewers. The first example in the American colonies is the “Guardians of the Poor” a commission created in 1705/06 charged “to lay and collect a poor tax and distribute its proceeds among the City's indigent”.

Most special taxing districts perform a specific service and are therefore sometimes called special purpose districts. Today these include: operating airports, harbors, sports stadiums and mass transit systems, removing solid waste, and providing residents and businesses with water, electric and gas. Others have general or multiple functions. The Benefits District is this type; its functions are listed in Article II of its Bylaws:

“The mission of the Authority is to promote and market the District, provide supplemental security and maintenance services, provide amenities in public areas, provide park and recreational programs and functions, and other services and functions as requested by the Authority and approved by the Mayor and City Council.”

To support this mission, approximately 4,000 property owners in the District, excluding churches and nonprofit organizations, currently pay a surcharge tax of 12 cents per $100 of assessed value of their property in addition to the property tax they pay to the City of Baltimore.

Two points should be made about the Benefits District’s mission. First, the CVCBD provides supplemental services; it does not replace the same services provided by the City, nor does it relieve property owners or residents of their responsibilities as citizens.

Second, the services listed are those the CVCVBD may provide, not those it must provide. As will become clear in later chapters, the state and the City of Baltimore expect the Board of Directors to govern the CVCBD like a business with prudence and good judgment, providing only those services it can afford and which meet the current needs of residents.

Three other special taxing districts in Baltimore have general missions similar to that of the CVCBD: the Midtown Benefits District, the Downtown Partnership and the Waterfront Partnership.

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Legal Status

The legal status of the Benefits District is rather enigmatic. It is not a for-profit private enterprise; although it engages in some activities that appear to be profit-making such as fee-for-service contracts. Nor is it a nonprofit organization, despite some similarities in governance structure and the fact that it does not pay state or local taxes. Nor is the CVCBD a government agency, although it does serve a public function, and gets its tax-exempt status from being designated a “state agency”. However, contrary to the claim made by some residents, the CVCBD does not have the taxing power usually associated with government. The Board may recommend a surcharge tax rate, but the power to approve, impose and collect the tax is carefully reserved by and for the City of Baltimore. More generally, the City Code states in 6-4 (1) “The Authority shall not be or constitute or deemed an agency of the City or the State of Maryland”. And, again, in Section 6-5 (8) the Code says, “The Authority may not be an agency of the Mayor and City of Baltimore or the State of Maryland and its officers and employees may not act as agents or employees of Mayor and City of Baltimore or the State of Maryland.” See Document A: Baltimore City Code Article 14, Subtitle 6.

Despite this lack of legal clarity, the powers of the Benefits District are according to the City Code to be “broadly interpreted” (Section 6-4, Section 3 of the Baltimore City Code) so that it has the right to do all the things necessary to achieve its mission. These powers include:

- Acquire, hold and use both real and personal property necessary to achieve its purposes . . . ;
- Engage the services of an Administrator;
- Accept grants;
- Borrow funds;
- Adopt an annual budget;
- Create and enter into partnerships;
- Contract for and purchase goods and services;
- Implement the programs and goals of the Authority directly through employees, or through independent contractors or contractual employees;
- Assist in the leasing, marketing, and the promotional activities within the District, and;
- Appoint, hire, or engage such auditors, accountants, attorneys, assistants, aids, employees, and advisors as may be deemed necessary

Boundaries

Every special taxing district provides services in a definite geographic area to a particular population. In the case of the CVCBD, the area comprises about 100 square blocks in the northern section of Baltimore,
Chapter 1: The Charles Village Community Benefits District

roughly from 20th Street on the south to 33rd Street on the north, and from Greenmount Avenue on the east to Huntingdon Avenue and Howard Street on the west. See Exhibit 1A on page 13.

The actual legal boundaries are more irregular and are carefully set down in Article 6-2 (a) of the City Code. Yet as precise as the language is, it has caused some confusion because the boundaries are described as being “the center line of”, as in “the center line of 20th Street and “the center line of Greenmount Avenue”, etc. In other words, the legal borderline is in the middle of the exterior streets. This has led many to ask, “Are the properties on the inside of the boundary part of the District and those on the other side of the same street not part of the District?” The answer is provided in the next section (6-2 (b) which says the Benefits District “shall include properties binding on either side of the street . . . “

Known as the Charles Village Community Benefits District, the District actually includes 4 entire neighborhoods: Charles Village, Harwood, Abell and Old Goucher; and part of three others: Barclay, Remington and Waverly. Each of the 7 neighborhoods has at least one association, made up of residents who come together to discuss and address issues of mutual concern. Those representing Charles Village, Harwood, Abell and Old Goucher are member associations of the Benefits District which gives them a significant voice in how the CVCBD is governed as will be discussed in the next chapter. The map of the association boundaries is provided in Exhibit 1B on page 14.

Founding and Reauthorization

The Benefits District is home to more than 14,000 people and over 700 businesses. Famous for its tree lined streets, charming Victorian houses and magnificent old churches, the District is adjacent to the Johns Hopkins University, one of the finest institutes of learning and research in the world, and to the Baltimore Museum of Art with over 90,000 works of fine art including the largest collection in the world of paintings by Henri Matisse. Every Saturday merchants at the Waverly Market on the northwest border sell baked goods, locally grown fresh produce, and flowers to residents and visitors. In 2009, the American Planning Association voted Charles Village as one of the ten “best neighborhoods” in the country, not only for its amenities and interesting architecture, but also for its neighborhood identity and community activism, including the creation of the Charles Village Community Benefits District.

Despite its local and national reputation as an outstanding community and an exceptional place to live, work, and play, Charles Village has its share of challenges like every urban area: unacceptable levels of crime, trash littering the streets, rats, vacant and abandoned properties, vandalism, and graffiti.

In 1992 an employee at a company located in the Old Goucher neighborhood was murdered while walking to his car at the end of the work day. The crime triggered a community-wide movement to improve the quality of life in the area led by the Charles Village Civic Association, the South Charles
Chapter 1: The Charles Village Community Benefits District

Village Business Association, and the Greater Homewood Community Corporation. Among other initiatives, this effort led to the founding of the Charles Village Community Benefits District in 1994.

Early in 1994 the Maryland General Assembly passed the enabling legislation that would allow the City of Baltimore to establish the CVCBD; that summer, the Baltimore City Council passed its enabling ordinance. In October 1994 the City Board of Elections conducted a neighborhood referendum using mail-in ballots in accordance with Section 6-15 of the City Code. All registered voters and property owners were eligible to vote. Of the 1,500 who participated, about two-thirds voted for the creation of the Benefits District.

The City is required to conduct a review every four years “to determine whether the District is to continue for another 4 years” (Section 6-16 of the City Code). The “reauthorization” process involves the Mayor and City Council holding public hearings “to evaluate the activities and undertakings of the Authority and the District”. Usually there are two hearings, one held by the City Planning Commission and the other by the City Council’s Committee on Urban Affairs and Aging.

Since 1994, this process has taken place 4 times in 1998, 2002, 2006, and 2010. Despite vigorous opposition by some residents, the Charles Village Benefits District has been reauthorized each time, a testament to the importance of the CVCBD to residents and City officials.
Exhibit 1A: Map of the Charles Village Community Benefits District
Exhibit 1B: Map of the Member Neighborhood Associations in the Benefits District
Chapter 2: The Authority to Govern – Enabling Legislation, Bylaws and the Board

The “bylaws” and “enabling legislation” have already been mentioned several times; they are obviously extremely important to the CVCBD governance process. Before going further, it is best to explain what they are and how they define the Board of Directors.

What are “Bylaws”?

Bylaws are like a constitution. It is a document that contains the most fundamental principles regarding the nature of an organization: its mission, the selection process for Board members, the frequency of Board meetings, how it will conduct business, and other basic rules of governance. Any violation (or even appearance of violation) of the rules in the Bylaws may lead to legal challenges of the decisions made by the Board of Directors. Indeed, decisions made by the CVCBD Board have been legally challenged several times, albeit unsuccessfully.

The origin of the word “Bylaws” is unclear. It is first recorded in England in 1283 with the meaning “a body of customs or regulations, as of a village, manor, religious organization, or sect.” Another possible origin is that the word was invented in the 20th century by adding the prefix “by” (meaning “subsidiary” or “side”, as in “byway”) to “law”. According to this derivation, the word means “subsidiary laws”.

It may seem odd that Bylaws are “subsidiary” and at the same time considered “the constitution of an organization”. This paradox is resolved when it is understood that while Bylaws are the organization’s governing principles, they are always inferior to some “higher” code, usually a charter or, in the case with the Benefits District, by state and local “enabling legislation” that created it in the first place.

State and City Enabling Legislation

In 1994 two pieces of legislation were enacted that allowed the Benefits District to be created, one by the State of Maryland, the other by the City of Baltimore. The State legislation is Chapter 732 (pages 3258-3264) of the Laws of Maryland; the City legislation is Article 14, Subtitle 6 of the Baltimore City Code. The language in these two documents is virtually identical. Therefore, only the City Code has been reproduced for this manual. (See Document A)

The City Code “supersedes” the Bylaws. As already noted, it describes in considerable detail many important characteristics of the newly created Charles Village Benefits District: its boundaries (section 6-2), its purpose or mission (section 6-3), and its authority (section 6-4) and limitations on its authority (section 6-5). It sanctions the creation of an “interim” Board of Directors (section 6-6 b) and charges it to draft the initial Bylaws (section 6-6 b 2 i.) and to recommend the first full CVCBD Board to the City Board of Estimates (section 6-6 b 2 ii). Later, in Section 6-6 g, the Code clearly states that the Bylaws are subordinate to the Code when it says that the Board of Directors “may adopt such bylaws, rules, and regulations as it deems necessary in carrying out the powers of the Authority, so long as the same shall not be inconsistent with the terms of this subtitle.” Still later in Section 6-14 b, the Code states that “The

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4 Bylaw, American Heritage Dictionary, 5th edition
Chapter 2: The Authority to Govern – Enabling Legislation, Bylaws and the Board

Board of Estimates shall review and approve the initial Bylaws of the Authority and any proposed amendments thereto.” In this way, the CVCBD Bylaws are kept subordinate to the City Code. As will be seen in later chapters, the City maintains this relationship in other important ways as well.

Bylaws and the Board

The initial Bylaws written in 1994-1995 have been revised several times. The most comprehensive revision, the product of over 6 year’s work, was approved by the Board of Estimates in June 2011. This fact gives you, the new Board member, an idea of the tremendous commitment of time and energy some members have given to the Benefits District. The current Bylaws are reproduced as Document B and will be referred to throughout this manual.

Here the discussion is limited to sections that address composition of the Board, responsibilities of the Board and of individual Directors. Other subjects will be discussed in later chapters as appropriate.

Composition of the Board

Topics concerning the makeup of the Board are addressed in Article IV of the Bylaws. Its composition and representation are outlined in Sections 1 and 2.

Section 1 A says that the Board must have a minimum of 14 members but no more than 27. The potential membership of 27 is broken down in the following chart with respect to who the member represents and whether or not he or she is allowed to vote:

<table>
<thead>
<tr>
<th>Member Represents</th>
<th>Members</th>
<th>Voting</th>
<th>Non-Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Neighborhood Associations within the CVCBD</td>
<td>8 (2 each)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3 Business Associations within the CVCBD</td>
<td>6 (2 each)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>“Quad” Representatives</td>
<td>4 (1 each)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Mayor’s Representative</td>
<td>1</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>City Council Representatives</td>
<td>2</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4 Neighborhood Associations bordering the CVCBD</td>
<td>4 (1 each)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2 Nonprofit Organizations within the CVCBD</td>
<td>2 (1 each)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Totals</td>
<td>27</td>
<td>21</td>
<td>6</td>
</tr>
</tbody>
</table>
Chapter 2: The Authority to Govern – Enabling Legislation, Bylaws and the Board

As the chart shows in column 3, there are 21 potential voting members consisting of 8 Neighborhood and 6 Business Association representatives, 4 Quad representatives, 1 Mayor’s representative, and 2 City Council representatives. All voting members (according to Section 1 B) meet one of the following criteria:

- An owner of property within the District that is subject to the Surtax; or
- A voter registered to vote within the District; or
- An individual designated to represent an owner of a property that is subject to the Surtax and utilized for commercial purposes if the individual is (a) a tenant of the owner, (b) a corporate officer or partner of a tenant of the owner, or (c), a business representative or agent of the owner, provided that the owner authorizes and designates in writing the individual to represent the owner on the Board.

The 4 Neighborhood Associations are named in Section 2, they are: Abell Improvement Association, Charles Village Civic Association, Old Goucher Community Association, and Harwood Community Association. The same section names the 3 business associations, they are: Waverly Main Street, Old Goucher Business Alliance, and North Charles Village Business Association respectively. Usually, only individuals appointed by these associations are eligible to sit on the Board and vote (the exception is when the Board uses its authority in Section 2 A. 3 to fill a vacancy).

The 4 Quad Representatives, who are elected annually by residents, must (according to Section 2 A. 4) meet one of the following criteria:

- Is a resident of the quadrant that the individual seeks to represent and is registered to vote within that quadrant; or
- Owns property that is subject to the Surtax in the quadrant that the individual seeks to represent.
- Be a representative of an owner of property which is utilized for commercial purposes if the individual is a tenant of the owner, a corporate officer or partner of the tenant of the owner, or a business representative or agent of the owner, and the owner authorizes and designates in writing the individual to represent the owner on the Board.

Careful records are kept of members’ credentials. More will be said about credentials in Chapter 7.

Responsibilities of the Board of Directors

The responsibilities of the Board as a whole are listed in the first part of the Board member’s job description in Exhibit 2A on page19 adopted by the Board in June 2005. The Board as a body has overall responsibility for the organization:

- ensuring its compliance with federal, state and municipal laws and regulations that apply,
- creating and monitoring the implementation of administrative policies and procedures for its effective and transparent operation,
overseeing its finances and ensuring that it is fiscally sound and complies with generally accepted accounting principles, and

- developing and overseeing effective programs that serve to meet its mission

Responsibilities of Individual Board Members

Listed in the second part of Exhibit 2A are the responsibilities of individual Board members. In addition to participating in Board and committee meetings working with other members to achieve the Board’s goals, the individual member is expected to faithfully represent the interests of his or her constituents: neighborhood or business organizations, residents, adjacent nonprofit organization, the Mayor, or the President of the City Council.

The third section of Exhibit 2A points out that the individual members have “the fundamental and commonly accepted duties of . . . Care and . . . Loyalty”. Specifically these mean:

- Duty of Care: to conscientiously and prudently perform their duties
- Duty of Loyalty: to serve the interests of the constituents of the Charles Village Community Benefits District.

Difference between CVCBC Board and Nonprofit Boards

As mentioned in Chapter 1, the CVCBD Board bears a superficial resemblance to a nonprofit board. As will be discussed in the following chapters, it has 4 officers - a President, Vice President, Treasurer and Secretary – and conducts its business like a nonprofit using Robert’s Rules of Order and the Open Meetings Act.

The major difference between the Board of the Benefits District and that of a typical nonprofit organization is in their respective compositions: membership on the CVCBD Board is determined by the enabling legislation and the Bylaws whereas membership on the boards of most nonprofit organization is determined by the board itself.
Chapter 2: The Authority to Govern – Enabling Legislation, Bylaws and the Board

Exhibit 2A: Board and Board Member’s Job Description

Charles Village Community Benefits District Management Authority
Board and Board Member Job Description

Purpose: Clearly articulate what is expected of each member of the Charles Village Community Benefits District Management Authority (CVCBDMA) Board of Directors

The responsibilities of the CVCBDMA Board are:

- Ensure compliance with laws, policies, and regulations relating to the Management Authority.
- Ensure the mission and the mandates are carried out.
- Oversee programs.
- Conduct periodic long-term and short-term planning, with annual review of the implementation of those plans.
- Develop and adopt annual budget for use of the Surtax funds and other funds and contributions.
- Orient and develop board members.
- Hire and evaluate the performance of the Executive Director (or Administrator).
- Establish policies for effective and transparent operation of the Management Authority and its Board.
- Address legal issues.
- Ensure compliance with the Memorandum of Understanding between the Charles Village Community Benefits District Management Authority and the Charles Village Community Foundation.
- Comply with CVCBDMA Bylaws
- Hold the City of Baltimore accountable for compliance with Baseline Services Agreement.

The responsibilities of the CVCBDMA Board Members are:

- Represent the interests of the constituents throughout the Charles Village Community Benefits District
- Promote the area designated as the Charles Village Community Benefits District.
- Provide information regarding CVCBDMA activities, policies, and other information relayed to Board members to the groups they represent – and bring information to the Board from their groups accordingly.
- Comply with Bylaws and all policies relevant to the Management Authority, including conflict of interest, etc.
- Assist in recruitment of potential Board members.
- Be an active member of at least one committee.
- Attend and actively participate in at least seven (7) Board meetings annually.
- Participate in Board training. New members should participate in New Board Member orientation.
- Participate in annual Board planning and in the Annual meeting.
- Participate in the Spring and Fall Public Meetings held by the CVCBDMA.
Background:
- The Charles Village Community Benefits District Management Authority is not a non-profit organization, but a public entity led by residents, property owners, business owners, and other stakeholders of the District, who are represented by the Board of Directors of the Management Authority.
- The standards that exist for operating a Board or governing body can be adapted from non-profit or local government practices as applicable.
- The fundamental and commonly accepted duties of directors are Duty of Care and Duty of Loyalty:
  - Duty of Care: to conscientiously and prudently perform their duties
  - Duty of Loyalty: to serve the interests of the constituents of the Charles Village Community Benefits District.

*Approved June 14, 2005*
Chapter 3: The Practice of Governance — Board and Committee Meetings

The Board governs the Benefits District by holding meetings in which members oversee finances, programs, and the governance process; they discuss issues, review documents, and then vote and make decisions. There are two basic types of meetings by which governance is carried out: Board meetings and committee meetings. These two basic types are described in this chapter. However, before discussing them, it is best to explain briefly how meetings are conducted.

Robert’s Rule of Order and the Open Meetings Act

All CVCBD meetings must be conducted using Robert’s Rules of Order – Newly Revise (Article VIII of the Bylaws). Because the CVCBD is a public body, its meetings are open to the public and therefore must also comply with the Open Meetings Act of Maryland. Summaries of Robert’s Rules are provided in Document F: Robert’s Rules of Order (Summaries); more complete books on this subject are in the CVCBD library. The complete text of the Open Meetings Act is provided in Document E.

Robert’s Rules of Order is a code of conduct; it explains in detail how the President should run a meeting. Like other codes of Parliamentary procedure, Robert’s Rules is a very complex document, involving detailed explanations of how to conduct every minute aspect of a meeting, how to recognize members who want to speak, how to formulate motions, how to amend them, and how vote on them or delay voting on them. Despite this complexity, Robert’s is actually based on only three simple principles:

- the right of the majority to ultimately decide what is to be done;
- the right of the minority to be heard and;
- the right of the individual to participate in the decision-making process

Using these principles as a guide, the Board makes decisions by acting (voting) on motions made by its members. A motion is a statement which clearly describes what action the member thinks the Board should take regarding the topic being discussed, who should take the action, and when.

Parliamentary rules evolved as a means of providing structure to public meetings, and ensuring fairness to all who participate in them. They were not designed to hinder discussion or waste valuable time; they are intended as a way of working fairly and efficiently towards a consensus.

The Open Meetings Act is also quite long and complex, and imposes some very specific requirements on how the Benefits District conducts its meetings. A short summary of these requirements and how to comply with them is provided in Exhibit 3G on page 37. These guidelines also apply to Board meetings.

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5 “Robert’s” refers to Brigadier General Henry Martyn Robert who wrote and published a “pocket guide” in 1876 on how to conduct meetings, loosely modeled after the rules used in the House of Representatives with adaptations for ordinary societies.
Chapter 3: The Practice of Governance – Board and Committee Meetings

Board Meetings

The Bylaws requires that “The Board shall schedule at least ten meetings each calendar year to include the spring and fall Public Meetings”. (Article IV, Section I) The Board actually schedules 12 meetings, however, the President may cancel one or two if no pressing business needs to be discussed. As an example, the record of Board meetings in 2011 is shown in Exhibit 3C on page 33. As can be seen, the only meeting that was cancelled was in July.

Unless the Board decides otherwise, regular meetings are held at 7 PM the 2nd Tuesday of each month in the CVCBD conference room at 2434 Saint Paul Street. The exceptions are the Spring Meeting on the Financial Plan and the Quad Elections meeting, both of which generally attract more members of the public and are therefore held in larger venues, usually Lovely Lane Church and St Philip and James Church respectively. Special meetings may be “called upon reasonable notice by the President and shall be called on request of five voting members of the Board” (Article V, Section 3 of the Bylaws). To satisfy the “reasonable notice” requirement for routine Board meetings, the basic schedule is posted permanently on the website www.charlesvillage.org on the “Board” page; the time and place of every meeting is individually posted on the CVCBD Calendar. The calendar can be accessed by going to the CVCBD website and clicking the “Calendar” tab.

The spring and fall public meetings are of particular importance because they involve presentation of the Financial Plan and the Quad Elections, respectively. Because of their significance, the Bylaws requires that the Board give special notification for them to members and the public “… by publishing notice of the date, time, and place in a newspaper of general circulation in Baltimore City at least once a week for three consecutive weeks prior to the date of the public meeting” (Article V, Section 5.B) In addition, these two public meetings are announced in the District Bulletin (the CVCBD newsletter) sent to all property owners (approximately 4,000), and in the Charles Villager newspaper distributed throughout the greater Charles Village area, and in flyers distributed by staff door-to-door and at neighborhood meetings. The cost to the CVCBD of publications for this extraordinary notification process for these two meetings is $8,000 - $10,000 annually.

Board Packet

The President announces Board meetings, prepares the agenda for them, presides over and conducts Board meetings. The week preceding each meeting, the President and Executive Director confer to determine what items need to be discussed and put on the agenda. The Executive Director then
Chapter 3: The Practice of Governance – Board and Committee Meetings

reproduces the Board Packet and forwards a hard copy of it to each member, usually the Friday before the meeting; and also keeps a copy in a binder in the conference room. Finally, the Executive Director emails a reminder to members of the upcoming meeting.

The Board Packet contains all the materials members will need for the meeting, such as the Agenda, Minutes to the previous meeting or meetings, the Executive Director’s Report, Financial Statements for the previous month, and the minutes to committee meetings. These are discussed below.

Call to Order and Agenda

The agenda lists the topics to be considered during the Board meeting. An example of a Board Meeting Agenda is provided in Exhibit 3D on page34.

The first item on the Agenda is always the “Call to Order” when the President or Chairperson opens the meeting and indicates whether or not there is a quorum of voting members present. More will be said about the quorum later in this chapter.

The second item on the Agenda is the review and approval of the Agenda itself. If a member wants to change the Agenda (add to it, rearrange the order of discussion, or delete an item), the time to make this recommendation is at this point. Once accepted, the Board will follow the Agenda as amended.

Minutes

The third item on the Agenda is always the review and approval of the Minutes to the last meeting (provided a quorum is present). The Minutes contain a list of members who attended the previous meeting, and a summary of the discussion and decisions made. An example of Board minutes is provided in Exhibit 3E on page35.

If a member wants to edit the Minutes due to errors or to subjects being omitted or summarized inaccurately, the time to make this recommendation is at this point. Once accepted, the Minutes become part of the permanent record of the Board’s proceedings as written or amended. The Executive Director will then post the approved minutes on the Minutes page of the website, accessed by going first to the Board page. A hard copy of minutes is also kept in a binder in the conference room.

Routine Agenda Items for Board Meetings

Once these first three items are dealt with, the Board Meeting Agenda tends to vary a little depending on the time of year. As will be seen in the following chapters on committees, the Board has certain topics it must discuss at certain times of the year. For example, the Board must approve the Annual Budget and Surcharge Tax Rate by the end of April so that these can be submitted to the City Board of Estimates for review and approval in May or June. As stated previously, many other routine items need the Board’s attention at specific times. A list of these is provided in Exhibit 3B on page32.
Chapter 3: The Practice of Governance – Board and Committee Meetings

Presentations

From time to time, special guests are invited to come to Board meetings to give presentations of certain topics. For example, the auditor presents the Annual Audit to the Board usually in October or November. Generally, presentations are placed near the beginning of the Agenda after the Minutes have been reviewed and approved so that the guest can leave immediately following it.

Reports

Although the items covered by the Board vary from meeting to meeting, these are usually handled as part of the routine reports that follow the approval of the Minutes unless as stated above there is a Presentation. The first report is given by the Executive Director, an example of which is provided in Exhibit 3F on page 36.

This report is followed by those from the Executive, Finance, Governance and Program committees. The subjects covered by each committee will be discussed in detail in later chapters.

Announcements

The reports are followed by Announcements during which time members may bring to the Board’s attention upcoming special events or important news.

Public Comment

All CVCBD Board and committee meetings are open to the public. Therefore, the last item on the Agenda is always a time when guests may make comments.

Closed Meetings

Although CVCBD meetings are open to the public, the Open Meetings Act does provide for the closing of all or part of a meeting to the public so that the Board (or one of its committees) may discuss sensitive matters, such as personnel issues (see Open Meetings Act, pages 24-25). The Act requires certain formal steps be taken before a public body may be closed:

- The presiding officer must “conduct a recorded vote on the closing of the session.”
- The vote must occur on a motion, properly seconded, to close the meeting. The motion must state the legal basis for the proposed closing. The body may hold the closed session only if the motion is supported by a majority of the members present and voting. The vote must take place in an open session immediately preceding the closed session.
- The President (or presiding officer) must ensure that a written statement is prepared setting out the reason for closing the meeting, the specific provision of the Open Meetings Act that allows the meeting to be closed, and the topics to be discussed at the closed session. Although this statement need not disclose sensitive information . . . the statement ought to be more than “uninformative boilerplate”. The Benefits District complies with this provision by providing a general description of
the topic to be discussed in closed session. For example, the statement might read: “The Board will go into closed session to discuss a personnel issue.” Or “The Board will go into closed session in order to receive legal counsel.”

**Participating in Board meetings**

Members have a number of basic responsibilities with respect to their attendance at Board meetings. The most important are listed below.

*Prior to the Meeting:*

- Read the Board Packet
- Think about questions you want to ask
- Think about issues you want to discuss
- Think about whether or not other items need to be included on the Agenda. Be prepared to raise the issue when the Agenda is being reviewed and approved

*During the Meeting:*

- Listen to and follow the discussion
- Participate in the discussion
- Be constructive; seek ways for the group to achieve consensus on issues
- Support the President and Executive Director; be sensitive to their workload

**Quorum and Voting**

*Quorum*

To conduct business at a Board meeting – for example to approve the Annual Budget and Surcharge Tax Rate, or the Baseline Agreement with the Community, or even to approve the agenda and the minutes to last meeting – a quorum must be present. A quorum is defined in Section 4 of the Bylaws as the presence of “eleven voting members”. Non-voting members do not count toward a quorum. If a quorum of voting members is not present, the Board may discuss agenda items but not vote on them. See Exhibit 3A on page 31.

Although the Board has a potential membership of 27, it is rare for all seats to be filled. The most difficult to fill are the six voting Business seats and those for the four non-voting Neighborhood Associations bordering the CVCBD. Failure to fill voting seats is particularly problematic; it means that almost all the seated voting members must be in attendance in order for the Board to achieve a quorum and take actions.

Careful records are kept of attendance to document whether or not a quorum was present for each meeting. An example of a “Board Attendance Record” is provided in Exhibit 3C on page 33. This document shows that in 2011 the Board met quorum at every monthly meeting except in September despite having
only 14 seated voting members. This record and those of previous years may be viewed online by clicking the “Board” tab on the Main page at the CVCBD website www.charlesvillage.org.

Voting

If a quorum is present, the Board then votes on motions made and seconded by members to make decisions. As a general rule, decision is made by a simple majority of the voting-members present voting either for or against the motion. At this time, a simple majority is 7. There are exceptions to this rule. See Chapter 8.

Committee Meetings

The Board of Directors is ultimately responsible for governing the Benefits District. Actions are taken only when a majority of the Board has voted in favor of taking that action. However, it is not possible for a group of 14 to 27 individuals to effectively discuss and make decisions about all the organization’s business in 10 meetings per year, especially when it involves complex programmatic, legal or financial issues. For this reason, the detailed work of governance is best done in smaller groups of 3-5 whose interests and expertise are related to the subject at hand. These groups are called committees.

Origins of the “Committee”

Using committees to do the detailed work of larger deliberative bodies originates in 16th century English Parliamentary history. Members of the House of Commons found they no longer had time to discuss every piece of proposed legislation; nor did they have the necessary knowledge in all areas of public interest. Their solution was to "commit" some bills to an expert for consideration. The "committee" (the person to whom the bill was committed) would then report back to the House, giving their opinion as to the bill's merits. The earliest reference to this procedure is in the Parliamentary rolls for 1557/58 which says: "Bill committed be perused by Mr. Fitz Chamberlain." ⁶

Highly evolved since the 16th century, committees are today an essential feature of the structure of governance in any institution made up of democratic-minded individuals. This is true not only for the Benefits District but for thousands of other special taxing districts, local, state and federal governments, and nonprofit organizations across the country; in fact, around the world.

The Benefits District’s Board of Directors is itself a committee. The Mayor, the City Council President, business and neighborhood associations and the residents of greater Charles Village have all in effect committed governance of the Benefits District to the Board. The Board in turn creates smaller committees to do the detailed work of governance. In the following sections, we will discuss characteristics of these Board committees.

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⁶ An Introduction to the Procedure of the House of Commons, by Lord Campion, MacMillan & Co Ltd., St Martin’s Press, 1958
Chapter 3: The Practice of Governance – Board and Committee Meetings

Types of Committees and the CVCBD Committee Structure

There are two basic types of Board committees: standing and ad hoc. These are described below:

Standing Committees:

A standing committee is permanent, charged with overseeing specific aspects of the organization. The Bylaws states that the Benefits District will have an Executive Committee (Article IV, Section 7) and 3 other standing committees: Finance, Programs, and Governance (Article VI). It also briefly explains the function of each. So that members will have a better understanding of their roles, the Board approved a document that describes them in more detail (see Document C). Chapters 5 – 8 will discuss each of them in more detail. Here we are only concerned with how committees are created and how they function.

There are two types of Standing Committees; they differ from each other in the manner by which members are appointed to them:

1. those whose membership is determined by the Bylaws; and
2. those whose membership is determined by the Board

The Benefits District has only one standing committee whose membership is determined by the Bylaws: the Executive Committee. Article IV, Section 7 states that there shall be an Executive Committee consisting of the 4 officers (President, Vice President, Treasurer and Secretary) and one at large member selected annually by the Board. More will be said about the Executive Committee in Chapter 5.

The CVCBD has 3 committees whose membership is determined by the Board: the Program Committee, the Finance Committee, and the Governance Committee. Members are appointed annually during the first or second meeting in January or February. Every Director is expected to serve on at least one committee (see Exhibit 2A on page 19). The President asks for volunteers to serve on each committee; he or she also tries to ensure that all committees have a balanced and adequate representation. The committees so formed are then submitted to the full Board for approval.

To encourage outside participation, membership on these three standing committees is not limited to Board members. However, the Chairperson must be a member of the Board (Article VI, Section 1 A of the Bylaws). More will be said about these three committees in chapters 5, 6, and 7 respectively.

Ad Hoc Committees:

The second basic type of committee is called Ad Hoc. An Ad Hoc Committee is temporary, created for a specific period of time and for a special purpose. For example, in 2010, the Board created an Ad Hoc Committee to oversee the Reauthorization process; it existed for 6 months from January until June 2010

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7 Although the Bylaws determines the positions that make up the Executive Committee (President, Vice President, Treasure, Secretary and At Large) the individuals who occupy those positions are determined by the Board because the Board must approve (or reject) the “slate of officers” submitted to it in January by the Governance Committee. See Chapter 8.
when the City approved reauthorization. The President initiates the creation of Ad Hoc committees. He or she then identifies Directors or outsiders with special expertise to sit on the committee and submits his/her recommendations to the Board for approval.

Issues Related to Committees

Committees allow the Board to conduct its detailed business efficiently and in a democratic way as will be seen in the next section. However, it is important to address several issues related to committees which, if not handled correctly, can actually render committees ineffective or even disruptive of the governance process. These are discussed below.

Charge:

A committee's charge refers to what it is responsible for doing. The charge should be stated in writing, like a mission statement; it should also include goals and objectives. Committees with no charge or an ill-defined one become unfocused and more likely to transgress into the responsibilities of other committees. This issue applies to both Standing and Ad Hoc Committees.

Authority:

A committee's authority refers to the powers the Bylaws or Board have given it such as collecting information, or designing a program. A committee's authority should be stated in writing in the minutes. In most cases, the Board should not give committees authority to make decisions or take actions. However, the Board may on rare occasions decide to delegate the power to decide to a committee in an emergency or if there is a severe time restriction. The Bylaws grants such authority to the Executive Committee for example. (Article IV, Section 7B) But it is clearly delimited. The Board should require committees to submit reports to the full Board on their discussions with recommendations for approval (or rejection). This issue applies to both Standing and Ad Hoc Committees.

Number:

This issue refers to the number of committees the Board has reporting to it at any one time, and the frequency of their meetings. Of concern here is the allocation of time and workload, especially for the President and Executive Director. Usually the President and Executive attend every committee meeting. It follows that as the number of committees increases it becomes increasingly difficult for the President and/or Executive to monitor and support them. The Board must always be aware of the practical implications of adding committees or increasing the frequency of meetings. It was partly for this reason that the Board reduced the number of committees from 6 to 4 in recent years. This issue applies to both types but mostly to Ad Hoc committees since the Board creates these.

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8 The number of committees has been reduced for 2 other reasons: 1. in 2007, the CVCBD divested Housing and Economic Revitalization programs and no longer needed a committee for those programs, and 2. in 2008 the Board merged the remaining committees into one, the Program Committee, to oversee the remaining programs.
**Chapter 3: The Practice of Governance – Board and Committee Meetings**

*Life-span:*

Life-span refers to the length of time the Board gives a committee to do its work before it ceases to exist. It applies to Ad Hoc committees since, by definition, Standing Committees are permanent. A life span should be included in the committee’s charge, meaning it has a certain amount of time to complete its assigned work. Usually the life-span is no more than one year. Two issues are of concern, timeliness and usefulness. A life-span focuses members’ attention on their assignment and ensures they will complete their work by the end of the period. It also guarantees that the committee does not continue to meet beyond its usefulness. Finally a life-span forces the Board at the end of the period to debate whether or not the committee is still performing a valuable service.

**Minutes for Board and Committee Meetings**

The proceedings of all Board meetings must be summarized in writing in the form of minutes to the meeting. The Secretary is charged with preparing Board minutes (Article III, Section 1, D.). An example of Board minutes is provided in Exhibit 3E on page 35. Board minutes for the current year and 3 previous years are posted on the Benefits District website [www.charlesville.org](http://www.charlesville.org). A complete record of minutes is kept in the conference room library.

Committees are also required to prepare minutes of their meetings and make these available to the Board on request (Article VI, C.). See also Exhibit 3G on page 37 and Exhibit 3H on page38. Examples of minutes for each of the 4 standing committees are provided in Chapters 5-8.

Staff does not take minutes at meetings; minutes are the responsibility of members. (See Exhibit 3G on page37) One reason for this rule is that staff is expected to participate in meetings by giving presentations, contributing to discussions, and generally paying close attention to what members are saying. It is difficult to actively take part and at the same time take notes for minutes. The second and more important reason is to avoid conflict of interest. The decisions that the Board and committees make have a direct bearing on the staff’s goals and workload. It is therefore essential that a committee member record what the members have discussed and the decisions they have made.

**Differences between Board and Committee Meetings**

In many ways, Board and committee meetings are alike primarily because both must comply with Robert’s Rules of Order and the Open Meetings Act. However, there are two important differences between them alluded to previously. These are discussed below:

**Authority**

The first difference is that committees may only make recommendations to the Board, they do not have the authority to set policy or make decisions, unless specifically charge to do so by the Board itself. Article VI, Section 1 A of the Bylaws states:
Chapter 3: The Practice of Governance – Board and Committee Meetings

“Committees may perform the duties and responsibilities delegated to them by the Board. Except as otherwise provided in these bylaws, no Committee may act on behalf of the Board without specific authorization from the Board.”

This rule is restated in #7 of Exhibit 3H: General Practices of Board Committees on page 38.

The Executive Committee is generally the only committee that is ever charged by the Board to set policy or make decisions on its behalf (although there have been rare exceptions) but even this authority is carefully circumscribed. Article IV, Section 7.B. of the Bylaws states:

“The Board may delegate to the Executive Committee from time to time the authority to act on the Board’s behalf in the implementation of specific Board decisions or policies. In emergent circumstances where Board action is required but a quorum of the Board cannot be convened in time to meet the emergency, the Executive Committee may act on the Board’s behalf and in its stead in the absence of a specific delegation of authority.”

Membership

The second difference between the Board and its committees is a direct result of the first. Because committees only make recommendations and do not have the authority to make policy or decisions, it is permissible for non-Board members to be members of committees. See Exhibit 3H on page 38. This practice is actually encouraged. Committees are primarily “fact finding”, “deliberative” bodies and often it is helpful in this regard to include members who have special expertise useful to the committee.

Nevertheless, every committee must be chaired by a Board member (Article VI, Section 1.A. of the Bylaws), and all Board members are asked to participate in at least one committee (see Exhibit 2A on page 19).
Exhibit 3A: Guidelines on Conducting Business

CVCBDMA Board Meeting — October 10, 2006
The Governance Committee recommends that the Board adopt the following standing rule. This requires a two-thirds vote.

Proposed Motion:

Resolved, that the Board adopt the following as a standing rule of order:

At a regular monthly meeting of the Board of Directors, if quorum is not present, the Board may conduct activities that do not require a formal action or motion, including, but not limited to, hearing reports, programs, and discussion.

Background:

At the September Board meeting, a question was raised as to whether the Board is permitted to meet without quorum to hold discussions or hear committee reports, even when no formal action is possible. Although Robert’s Rules prohibits formal action and almost all motions in the absence of quorum, hearing reports and holding discussions does not constitute formal action and does not require making motions.

Based on the suggestion of a professional parliamentarian, we recommend that the Board adopt a standing rule to make it clear that we are allowed to conduct these activities without quorum.

For details, see the parliamentary opinion dated October 9, 2006 that Emil Volcheck submitted to the Board.
Exhibit 3B: Routine Agenda Items for Board Meetings

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Board’s Routine Agenda Items (with recommended frequencies)
### Exhibit 3C: Board Attendance Record (sample)

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<td>Belinda Conaway *</td>
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**Key:**  
- P = present  
- A = absent  
- N = not yet on the Board  
- R = resigned from the Board  
- C = meeting cancelled
Exhibit 3D: Agenda for a Board Meeting (sample)

BOARD MEETING
April 12, 2011

AGENDA

I. Call to Order
II. Approval of Agenda
III. Discussion with guest: Mayor Stephanie Rawlings-Blake
IV. Approval of Minutes: March 2011
V. Executive Director’s Report
   o Surcharge Revenue
   o Spring Meeting on the Financial Plan
   o Update on search for new Coordinator, Community Safety Program
   o Update of Fund Raising
VI. Committee Reports:
   o Finance Committee
     ▪ Financial Statements for February 2011
     ▪ Resolution: Budget for FY 2012
     ▪ Resolution: Surcharge tax rate for FY 2012
   o Executive Committee
   o Governance Committee
   o Program Committee
VII. Public Comment
VIII. Announcements
IX. Adjourn

Voting Members: Millard ___ Erickson ___ Demaree ___ Pyeron ___ Volcheck ___ Letteron ___
Cosgrove ___ Jones ___ Cooke ___ Anthony ___ Payne ___ Moyes ___ Orr ___ Burdick ___
Non-Voting Members: Clarke ___ Conaway ___ Sanchez ___ Reese ___
Chapter 3: The Practice of Governance – Board and Committee Meetings

Exhibit 3E: Minutes for a Board Meeting (sample – first page only)

Board Meeting
March 8, 2011

Minutes

Attendance: Jeff Millard, Thayn Moyes, Robert Cooke, Stephanie Cosgrove, Derek Demaree, Jay Orr, Emil Volcheck, Kirsch Jones, Jennifer Burdick, Jennifer Erickson, Gary Letteron, Jason Pyeron, Tamara Payne Mary Pat Clarke, S. Woods (representing Belinda Conaway)

Also Present: David Hill, Executive Director

Call to Order: The meeting was called to order at 7:05 PM. The meeting began with 9 members present in person and by phone conference.

Agenda: The Board reviewed the agenda.

Minutes: The Board reviewed the minutes to the February meeting but postponed a vote until ten members were present. A tenth member arrived about 15 minutes later. A motion to approve the February minutes with amendments was approved by unanimous consent. (Moved by Emil Volcheck, second by Gary Letteron.)

Executive Director’s Report: The Executive Director reported to the Board. Highlights of his report include approval of a grant in the amount of $20,000 from the Abell Foundation for trashcans. The overall fundraising goal is $60,000, and we have raised $23,167 so far. The Executive Director submitted to Johns Hopkins a request for an exempt property contribution in the amount of $72,000, an increase of $9,000 from the previous year’s contribution. Salem Reiner reported that he has requested that Hopkins contribute at least $63,000 but is trying to obtain more from other departments of JHU. Reiner will get back to us within a few weeks.

Finance Committee: The Treasurer reported to the Board. Highlights included: the balance in our main account is low due to the expected shortfall in surtax revenue. The capitalized lease figure is down. Our total liabilities are down. Personnel expenses are down due to the vacancy in the Safety Coordinator position. There are no other major changes in the financial picture.

The Treasurer presented the proposed budget for 2012.

A motion to approve the budget was made by Thayn Moyes, with a second from Jennifer Burdick. A printed copy of the resolution was distributed with the agenda packet and reads as follows:
Executive Director’s Report
January 2011
(For the period November 1 - December 31 2010)

Administration
• **Finances:**
  • *Surcharge tax Revenue FY 2010:* In November we received $48,550 surcharge tax and in December $11,283 bringing our total revenue to $465,267 (Year to date) of $722,367 (annual revenue) expected for FY 2011.
  • *Contributions:* In November we received $450 from St Marks Lutheran Church.
  • *Program Revenue:* We earned $422 in November and December from:
    ▪ Jenkins Associates ($150) for maintaining Vineyard Lane properties and
    ▪ Abell Improvement Assoc. ($192) for sanitation services at the Abell Festival
    ▪ Waverly Improvement Association ($80) for sale of rat poison
• **Staffing:** Walter Brown, Community Safety Program Coordinator, left employment with the Benefits District 12/2
• **Fund Raising Report:** See attached

Programs
• **Grant Writing:**
  ▪ *JHU Exempt Property Contribution:* Wrote and submitted mid-year progress report to Johns Hopkins; requested Exempt Property Contribution balance of $32,500 for this FY
  ▪ *Trash Cans:* In November and December wrote and submitted proposal (*Enhanced Solid Waste Control for the Greater Charles Village Area*) to the following foundations to request a total of $60,000 for the purchase of 100 new large trash cans between July and October to replace our 85 old trash cans (amounts requested are in parentheses):
    ▪ Johns Hopkins Neighborhood Fund ($10,000)
    ▪ Abell Foundation ($20,000)
    ▪ Gordon Croft Foundation ($5,000)
    ▪ Lowe’s Charitable and Educational Foundation ($30,000)
    ▪ The Wal-Mart Foundation ($30,000)
    ▪ Clayton Baker Foundation ($20,000)
    ▪ Morton and Sofia Macht Foundation ($10,000)
    ▪ Legg Mason Charitable Foundation ($10,000)
    ▪ Goldseker Foundation ($10,000)
    ▪ M and T Bank Foundation ($6,000)
    ▪ PNB Foundation ($6,000)
We have received two rejections to date: the Goldseker Foundation (which was expected) and the Macht Foundation.
• **Rat Abatement:** Rewrote a proposal (*Rat Abatement Project for Greater Charles Village*) and submitted it to the Johns Hopkins Neighborhood Fund requesting $28,200 in of a rat abatement program for the Benefits District between July and December 2011.
Exhibit 3G: Guidelines for Committees to assist in complying with the Open Meetings Act

1. Public Notice- Committee meetings should be announced on the CVCBDMA website. Dates and times should be sent to the Office Manager with sufficient time for him/her to put up the notice. Notices are updated on Fridays each week.

2. All committee notices will include a request that people interested in attending the meeting call the CVCBDMA office to confirm time and place. In addition notices will all include the proviso: “A portion of this meeting may be closed to the public.”

3. Public Access- Committee meetings must be held in venues that permit handicapped access. Suggestions for places include the CVCBD Office, FutureCare, the Village Learning Place, and Union Memorial Hospital. Please consult with CVCBDMA office staff if you need assistance finding a site.

4. Committees should decide on a mechanism for minute taking. Please note—minute taking should not be a CVCBDMA staff function. If the committee agrees to take turns writing the minutes, CVCBDMA staff can of course participate.

5. If the committee decides to close the meeting to discuss matters that should not be disclosed to the public that should be noted in the minutes. Minutes of closed sessions should be given to David Ponder who will keep them secured at the CVCBDMA Office. (Note: Material on when to close sessions and how to report on those sessions in the minutes of the next open session are available on pages B-1, B-2, C-1, C-2 of the Open Meetings Act Manual provided as Document D.

6. Approved minutes should be sent to the Office Manager who will place them in a binder available at the CVCBDMA office. Minutes may also be posted on the CVCBDMA website.
Exhibit 3H: General Practices of Board Committees

General Practices of Board Committees
Charles Village Community Benefits District Management Authority
September 2005

1. Committees recommend policies, goals, and priorities. Committee members communicate and solicit input from other members, staff, and other stakeholders.
2. All Board members are asked to serve on at least one committee.
3. All committees are chaired by a Board member.
4. Membership of each committee is determined by the Board. A committee consists of one or more Board members and other stakeholders.
5. All committees shall comply with the Open Meetings Act. When addressing executive functions, such as personnel, committee meetings may be closed.
6. All committees shall construct a work plan each year that includes goals and expected accomplishments for the coming year. The plan should reflect the goals and priorities in the Strategic Plan.
7. Committees may make recommendations to the Board, but they do not set policy or act on behalf of the Board.
8. All committees keep minutes of their meetings and make them available.
9. Committees should meet monthly or as needed.
10. Any ad hoc committee, that is, one that is needed on a short-term basis or to accomplish a specific task, will be appointed and charged by the Board.

(General Practices adapted from Maryland Non-Profits Board Room Tips, and boardsource.org)
Chapter 4: Governance and Management – The Board and the Executive

Authority of the Executive Director

As mentioned in Chapter 2, one of the most important responsibilities of the Board is to hire, supervise and evaluate the Executive Director. This responsibility permeates every aspect of the organization as will be seen in the following chapters and as such deserves special attention.

The Bylaws are relatively silent regarding the Executive Director’s role in the organization. It says only that “The Board shall employ as its Administrator an Executive Director to perform the duties and functions delegated to him or her by the Board (Article III, Section 4). It is a little more specific in Article III, Section 1 D where it states that “Any or all of the duties of the Secretary or Treasurer may be delegated by the Board to the Executive Director”.

The City Code in Article 6-13 A however numerates many specific responsibilities of the Executive Director: “The Administrator shall have the power to

- prepare the Financial Plan for review and approval by the Board;
- implement the approved Financial Plan and arrange for the collection and disbursement of the Supplemental Tax and all other charges, fees, and revenues of the Authority;
- establish procedures and processes necessary to perform the functions called for under the Financial Plan and the budget;
- be responsible for the day-to-day operations of the Board and its employees and contractors;
- exercise the powers granted to the Authority under this subtitle, provided that the Board shall retain final discretion and power with regard to all substantive agreements, contracts, and other arrangements binding on the Authority;
- hire and retain such employees, agents, and contractors as are needed to perform its functions for the Authority, provided that all hiring and contracting shall comply with § 6-4(12) of this subtitle;
- be the direct agent of the Authority, so that any immunity afforded to the Authority and its officers, employees and agents, shall be afforded as well to the Administrator; and
- have further rights, powers, and authority as granted to it by the Board.

The City Code in Article 6-13 (B) notes also Limitations.

Any limitations on the powers and authority of the Board shall apply as well to the Administrator in performing the functions charged to the Administrator by this subtitle or by the Board.

Division of Authority – Board and Executive Director

Although the Bylaws do not provide much detail about the Executive Director’s authority, the Board has as a matter of practice given the position most of the powers listed in the City Code as will be seen in...
the following chapters. In short, the Board hires the Executive Director as a full-time permanent employee charged with responsibility to implement the Board’s policies and programs, hire and supervise staff, and manage the business and operations of the organization on a day-to-day basis.

Often the Board-Executive relationship is summarized with the aphorism:

The Board governs;
The Executive manages.

Although catchy and easy to remember, this maxim is too rigid as if there is a clean break between governance and management. The relationship is in reality far more fluid, complex and subtle. Because Board members are volunteers with limited personal time to spend with the organization, they must rely heavily on the Executive Director not only to manage the organization on a day-to-day basis, but also to assist in governing it as will be seen often in the following chapters. To give a few examples: the Executive attends every Board and committee meeting and participates in the discussions and the decision-making process (but does not vote), provides support for Board and committee meetings including helping the President and Chairpersons develop agendas, prepares drafts of policies and procedures - such as The CVCBD Personnel Policies Manual - for Board approval, alerts the Board when there is a need to make a decision on a policy issue or develop a new policy, assists in the development of financial policies, and prepares the initial draft Annual Budget for Board review and approval. Numerous other Executive duties could be enumerated, but even this short list shows clearly that the Board cannot function effectively without Executive assistance and support. In other words, the Executive is responsible for management, and is involved in the governance process.

The reverse is also true. The Executive relies heavily on the Board, not only to govern the organization, but also to assist in managing it. The Board is expected to provide the Executive with leadership, advice and support in every aspect of day-to-day operations. The entire Board may not be able to do this, but the Executive Committee and especially the President certainly do. The Executive relies on the Board’s leadership team almost on a daily basis to make sure that he or she has a correct understanding of what the Board wants to do – a “sense of the Board” - and to make difficult administrative decisions. Clearly, the Executive cannot perform his or her managerial duties without the Board’s assistance and support. In other words, the Board is responsible for governance but is also involved in management.

The Board and Executive are opposite sides of the same coin. For every Executive responsibility, there is a corresponding Board responsibility, and vice versa. An obvious question therefore is “How do the Board and Executive mutually support each other and still remain accountable for their respective roles”? A model for the division of authority between the Board and Executive is shown in Exhibit 4B on page 42. From this point of view, a healthy balance of authority between the Board and the Executive is best described by a maxim that is a little different from the one stated previously:

The Board governs and is involved in management;
The Executive manages and is involved in governance.
Balance of Authority - Board and Executive Director

The Board and the Executive both have considerable authority over the governance and management of the Benefits District. The ideal relationship between them is one of balance where the Board is primarily responsible for governance and helps the Executive as needed with management, and the Executive is primarily responsible for management and helps the Board with governance as needed.

This ideal is difficult to maintain. Sometimes an unbalanced relationship develops in which either the Board or the Executive dominates. In either case, the organization suffers. The negative consequences of unbalanced Board-Executive relationships are summarized in Exhibit 4A on page 42. At the two extremes are organizations that are Executive-Driven or Board-Driven.

In an Executive-Driven organization, the Board is so dependent on the expertise of the Executive that, in effect, it has given up its authority to govern. Although this situation may appear efficient because one person is making virtually all the decisions and things get done quickly, the organization suffers from reliance on one person's knowledge. Board members who could offer different perspectives and greater expertise on certain issues are ignored, become disenchanted, less involved and less committed.

In a Board-Driven organization, the Executive's ability to act independently is so restricted that, in effect, he or she has given up the authority to manage. This situation is attractive to some Board members because it appears to be democratic and more apt to invite diverse opinions. But, the organization suffers because almost every decision must be made by a group, and group decision-making (especially by volunteers who are not readily available for meetings) is time consuming and inefficient. Furthermore, Board and Executive roles are blurred and responsibility diluted, making it difficult for the organization to achieve its goals.

This brings the discussion back to the issue of “accountability”. Although the Board and Executive are necessarily involved to some extent in each other’s respective roles, it is essential that they not become too involved; otherwise accountability becomes blurred and compromised. If the Board is to be truly accountable for governance, then the Executive Director must not be too heavily involved in the governance process. Equally, if the Executive Director is to be truly accountable for management, then the Board must not be too heavily involved in the management process.

One of the Board’s most important obligations therefore is to ensure that a healthy balance of authority is maintained between itself and the Executive Director and to avoid the extremes of a Board-Driven or Executive-Driven relationships. To accomplish this, Board members, individually and collectively, must:

- be aware of the issues involved in governance and management, and be diligent in maintaining an appropriate balance of authority between the Board and Executive areas,
- periodically conduct an objective Self-Evaluation to identify unhealthy trends and take corrective actions before they become problems for the organization and
- provide opportunities for Board members and the Executive to enhance their skills in governance
Exhibit 4A: Balance of Authority

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<th>Executive Driven</th>
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<th>Board Driven</th>
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<tr>
<td><strong>Pro's</strong></td>
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<tr>
<td>• More efficient decision making</td>
<td>• Board involvement and participation</td>
<td><strong>Pro's</strong></td>
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<tr>
<td>• Consistent leadership/expectations</td>
<td>• Benefit of Board member expertise</td>
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<tr>
<td>• Professional expertise</td>
<td>• Greater understanding of member needs</td>
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<td>• Consistent workflow and production</td>
<td>• Lower staff costs</td>
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<tr>
<td><strong>Con's</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Low involvement of Board</td>
<td>• Longer time making decisions</td>
<td><strong>Con's</strong></td>
</tr>
<tr>
<td>• Lack of commitment of Board</td>
<td>• Blurring of roles &amp; responsibilities</td>
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<tr>
<td>• Less Board appreciation of staff efforts</td>
<td>• Difficulty in setting &amp; achieving goals</td>
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<tr>
<td>• Staff on the defensive</td>
<td>• Less stable leadership</td>
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<tr>
<td>• Reliance on one person's knowledge</td>
<td>• Longer, more frequent meetings</td>
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Exhibit 4B: Division of Authority

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<td>Administration</td>
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<td>Carries out administrative policies</td>
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<td>Sets financial and programmatic goals</td>
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<td>Develops plans to achieve financial and programmatic goals</td>
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<td>✓</td>
<td>Reviews financial and programmatic plans</td>
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<tr>
<td>✓</td>
<td>Implements financial and programmatic plans</td>
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<tr>
<td>✓</td>
<td>Monitors progress toward financial and programmatic goals</td>
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</table>

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9 Selecting an Operational Philosophy, Tecker Consultants, Symposium for Chief Staff Executives and Chief Elected Officers, American Society of Association Executives, p. 14, 1995

10 Managing Board Meetings and Relationships, Tecker Consultants, Symposium for Chief Staff Executives and Chief Elected Officers, American Society of Association Executives, p. 28, 1995
Chapter 5: Leadership and Governance – The President and Executive Committee

Every organization needs leaders, individuals who are dedicated to the organization and its mission, and can inspire, motivate and set goals for the other members.

The leadership team of the Benefits District and its Board of Directors consists of the President and the other members of the Executive Committee. Apart from providing leadership, the purpose of the Executive Committee is to coordinate and oversee the governance functions of the Board and its committees, and to oversee the administrative activities of the Executive Director.

Members of the Executive Committee

The Executive Committee has five members: the President, Vice President, Secretary and Treasurer (called the “Officers”) and an “At-Large” member. The Executive Director attends all meetings of the Executive Committee as a non-voting member. Article III, Section I of the Bylaws lists the four officers and gives a brief job description for each:

President:

The President shall sign and execute, in the name of the Authority, all instruments related to the Authority’s affairs, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Authority. The President shall perform other duties incident to the office of President assigned to him or her by the Board.

Vice President:

The Vice President shall assist the President as requested, shall preside at meetings of the Board when the President is absent, and shall perform other duties incident to the office of Vice President assigned by the Board.

Treasurer:

The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Authority, and shall deposit or cause to be deposited, in the name of the Authority, all moneys or other valuable effects in such banks, trust companies or other depositories

Ron Griffin (President 2006-2010) receives City citation for his leadership and services
selected by the Board; shall render to the President and to the Board, whenever requested by the Board, an account of the financial condition of the Authority; and, in general, shall perform all the duties incident to the office of a Treasurer and such other duties as are assigned by the Board.

**Secretary:**

The Secretary shall keep the minutes of the meetings of the Board, shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; shall be custodian of the records of the Authority; may witness any document of behalf of the Authority, the execution of which is duly authorized; and, in general, shall perform all duties incident to the office of a Secretary and such other duties as assigned by the Board.

The Board may delegate “Any or all of the duties of the Secretary or Treasurer” to the Executive Director (Article III, Section 1.E). As a matter of practice, the Executive does perform many of the specific duties listed for the Secretary and Treasurer (such as, depositing funds, preparing financial statements, keeping official records, etc.) but always with oversight and final approval of the officer.

**At Large Member:**

The “At-Large” member is not an officer and has no specified duties other than to attend and participate in meetings of the Executive Committee.

Unlike many nonprofit organizations, the CVCBD does not have seats on the Executive Committee for either the “President-Elect” or the “Immediate Past President”.

**Routine Responsibilities of the Executive Committee**

The Executive Committee has two sets of responsibilities: Routine Responsibilities and those it has when it functions as the Personnel Committee. These are listed below and are also found in Document C: Committees and Descriptions:

During the course of the year, the Executive Committee generally meets monthly to oversee the governance activities of the Board and the administrative activities of the Executive. These responsibilities can be listed as follows:

- Coordinate the activities of the Board and Committees;
- Ensure sufficient resources are available to realize the short and long term goals stated in the committee’s work plans;
- Set the agenda for Board meetings with input from the Board;
- Ensure the Management Authority is in compliance with its contractual obligations, policies, and legislative mandates
Chapter 5: Leadership and Governance – The President and Executive Committee

- Monitor programs and organization to ensure accomplishment of— and celebrate accomplishments of - stated goals;
- Make emergency decisions when needed (then notify the Board);
- Perform the annual evaluation of Executive Director and makes recommendation to the Board
- Review recommendations from Board Committees;
- Ensure strategies, development, and implementation of programs and opportunities follow intent of the organization’s mission;

Furthermore, as noted in the previous chapter, the Executive Committee has the authority to act on behalf of the Board within carefully defined limits (Article IV Section 7.B of the Bylaws):

“The Board may delegate to the Executive Committee from time to time the authority to act on the Board’s behalf in the implementation of specific Board decisions or policies. In emergent circumstances where Board action is required but a quorum of the Board cannot be convened in time to meet the emergency, the Executive Committee may act on the Board’s behalf and in its stead in the absence of a specific delegation of authority.”

Responsibilities of the Executive Committee as the Personnel Committee

The Benefits District does not have a separate Personnel Committee; this function is performed by the Executive Committee. In this capacity, its responsibilities can be listed as follows:

- Set policy concerning the overall management and oversight of personnel,
- General oversight regarding hiring and termination of employees;
- Assist Executive Director on personnel matters and management issues as needed (such as design of evaluations, decisions, etc.);
- Assist where appropriate, in the resolution of grievances;
- Ensure personnel manuals comply with federal, state and local laws relating to hiring, termination, and benefits issues; and ensure these policies are adhered to;
- Review job descriptions;
- Ensure health insurance, liability and general insurance are sound and effective;
- Operate following the General Practices of Board Committees.

There are several functions the Executive Committee performs in its capacity as Personnel Committee that should be explained in a little more detail: Personnel Manual, Sensitive Personnel Issues and the Evaluation of the Executive Director.

Routine Agenda Items for Executive Committee Meetings

Like the Board, the Executive Committee has to consider some issues at certain times of the year. As already noted previously, for example, the development and final approval of the Annual Budget and Surcharge Tax Rate is a 5-6 month process beginning in January. Therefore the Executive Committee
agendas for those months will almost always include a discussion of the status of these items. Many other routine agenda items also occur in a regular cycle; these are listed in Exhibit 5A on page 47.

**Personnel Policies Manual**

The Executive Committee takes the lead in developing the CVCBD Personnel Manual and reviewing all proposed revisions. A copy is provided in the conference room library as Secondary Document A.

The current manual was completely revised in 2006 – 2007. Together the President and Executive Director wrote the first draft based loosely on a previous CVCBD manual and then forwarded it to legal counsel for review, comment and revision. This second draft was submitted to the Board for review in February 2007 and subsequently adopted.

Since 2007, one revision has been made to this manual on August 11, 2009. The amendment limits carryover of vacation time from one calendar year to the next and also payout of accrued vacation time to employees who leave the organization. A copy is included in Secondary Document A.

**Grievances**

In accordance with the “Grievance Procedure” section of the Personnel Manual (page 39), the Executive Committee may hear an employee’s appeal regarding a disciplinary action he or she may have received from the Executive Director or a management policy issued by the Executive Director.

**Sensitive Personnel Matters**

From time to time, the Executive Director may request that the Executive Committee review sensitive personnel matters regarding a specific employee or a number of employees. In these instances, the Executive Committee closes the meeting in accordance with the Open Meetings Act because specific staff members are being discussed.

**Evaluation of the Executive Director**

The Executive Committee takes the lead in organizing the Board to conduct the annual review of the Executive Director. This involves reminding members to complete the evaluation form in a timely manner and to return it to the President. Evaluating the Executive Director is one of the Board’s major responsibilities as discussed in Chapter 2 and stated in Exhibit 2A on page 19. A copy of the formal evaluation is provided in Document.

The evaluation should be conducted near the end of the fiscal year in late May or June so that it coincides with the end of one fiscal year and the beginning of the next. The reason for this timing is so that the Executive Director’s goals for the previous fiscal year can be reviewed and become part of the evaluation and new ones developed for the next fiscal year.
Exhibit 5A: Routine Agenda Items for Executive Committee Meetings

<table>
<thead>
<tr>
<th>Executive Committee's Routine Agenda Items</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<td>Service/Activity</td>
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<td>Summary of Financial Position</td>
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<td>Executive Director's Evaluation</td>
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<td>Staff/Program Evaluation</td>
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Exhibit 5B: Minutes for an Executive Committee Meeting (sample)

Minutes of the Executive Committee

Thursday, May 19, 2011
7:00 p.m.
2434 Saint Paul Street, Baltimore, MD 21218

Committee members present: Jeff Millard (chair), Derek Demaree, Jennifer Erickson, Thayn Moyes, Jason Pyeron

Staff: David Hill

The meeting was called to order at 705pm. The minutes of the April 2011 meeting of the Executive Committee were reviewed and approved.

David Hill presented the Executive Director’s report, including the following highlights:

- Diana Mitchell has been hired as the coordinator of community safety programs, and is off to a good start, familiarizing herself with ongoing programs, and starting to plan upcoming community walks & other safety programs.

- The CVCBD now has a presence on both Facebook & Twitter, and has started posting notices as well as photographs of problem hotspots. Board members are encouraged to spread the word & get residents to participate in these forums.

- The Baltimore States Attorney office has undergone a reorganization which has resulted in the elimination of the community liaison that we have been working with. Although the community associations objected strongly to this, especially since the liaison had been doing an exemplary job, the States Attorney seems unlikely to rehire this position. The committee discussed strategies to maintain a good working relationship with this office, including perhaps sponsoring an intern to be placed in the SA office to continue this function.

- Trash cans are continuing to arrive & be placed throughout the district, and Mr. Hill asked whether he should approach future major tenants of the 25th Street Station commercial development to sponsor trash cans on the perimeter of that development. The committee recommended that Mr. Hill wait until questions about the development’s status were closer to resolution before doing so.

The Executive Committee will begin the annual evaluation of the Executive Director, following the same method used last year (distribution of a questionnaire to Board members, followed by an interview with the Director).

The Board of Estimates is scheduled to hold a hearing in early June to decide whether to approve the amendments to the CVCBD by-laws, the surtax rate increase, and the FY2012 budget approved by the CVCBD Board. Board members are encouraged to express their opinions on these matters to the members of the Board of Estimates, and can send such letters to Mr. Hill to be assembled into a presentation at the hearing.

Meeting adjourned at 8:09 pm.
Recorder, Derek Demaree
Chapter 6: Finances and Governance – The Finance Committee

Perhaps the most important duty of the Board is to oversee the finances of the organization. The Finance Committee performs the detailed work involved in carrying out this responsibility.

Responsibilities of the Finance Committee

The Bylaws (Article VI, Section 3) provides a general description of the role of the Finance Committee in the governance process:

“The Finance Committee shall recommend and review activities and initiatives related to the financial condition, operations, and status of the Authority to ensure good fiscal health. This committee shall be chaired by the Treasurer.”

An almost identical summary is provided in Document C: Committees and Descriptions; it then explains in considerable detail as follows regarding 3 broad categories of functions:

Fiscal oversight functions, including:

- Review financial statements quarterly in order to monitor the organization’s fiscal performance, operations, and overall condition;
- Report quarterly to the Board on current spending relative to Budget;
- Ensure an independent audit of the CVCBDMA’s finances will be conducted at least on an annual basis and that such audited annual financial statements are presented to the Board for approval;

Budget review and development oversight function, including:

- Review and oversee development of annual budget for the CVCBDMA, the initial draft and explanation of such budget is performed by Executive Director;
- Present and take input on a draft of the Budget from the Community during the required Public Meeting in the spring
- Present and explain budget to Board for approval, challenging Board to think about fiscal alternatives if needed;
- Ensure budget is sound, balanced, and reflects policies and mission of the organization.

Fundraising function includes:

- Oversee the development of a sound Fundraising Plan that includes long and short term funding strategies that supplement the Surtax in order to support mandated programs in accordance with the mission of the organization;
- Fundraising Plan should include fundraising goals and timeline, and show resources being developed from a diversified funding base which includes private, nonprofit, and governmental sources;
Chapter 6: Finances and Governance – The Finance Committee

- Present the Fundraising Plan to the Board during Budget approval time;
- Ensure fundraising goals and information is shared with the overall Finance Committee;
- Assist in implementation by helping Executive Director write grants, liaison with funders, prospect for funding sources, etc.
- Ensure grants applied for fit with the mission of the organization and are approved by Committee
- Operate following the General Practices of Board Committees.

Routine Agenda Items for Finance Committee Meetings

The Finance Committee, like the Executive Committee and the Board, has to consider some issues at certain times of the year. As noted in the two previous chapters, for example, the development and final approval of the Annual Budget and Surcharge Tax Rate is a 5-6 month process beginning in January. Therefore the Finance Committee meeting agendas for those months will almost always include a discussion of the status of the Annual Budget. In addition, every month, this committee reviews the monthly financial statements. Many other routine agenda items also occur in a regular cycle; these are listed in Exhibit 6A on page 58. Some of the Finance Committee’s routine agenda items are discussed in detail below.

The Annual Budget and Surcharge Tax Rate

The review and approval of the Annual Budget and Surcharge Tax Rate is a process that begins every year in January and is not usually completed until June. It is mandated by Article VII Section A of the Bylaws:

“Each year the Executive Director shall develop a proposed financial plan in accordance with § 6.13 of the Code. Such plan shall include a proposed annual budget for the ensuing fiscal year and a proposed Surtax rate to be imposed throughout the District.”

The Annual Budget is the formal, quantitative expression of how, during the next fiscal year - July 1 through June 30 - anticipated revenues will be expended to operate the organization, and its programs and services. The Budget should directly reflect the organization’s mission, business goals and objectives for the year under consideration. An example of an Annual Budget is provided in Exhibit 6F on page 63.

The Benefits District’s primary source of funding is the Surcharge Tax Revenue. As can be seen in the Annual Budget for FY 2012 (July 1, 2011 - June 30, 2012) the projected revenue from this source is $679,335 out of total anticipated revenue of $812,335 or 83.6%.

The Surcharge Tax Rate refers to the formula used to determine how much each property owner will pay in surcharge tax and in aggregate how much total surcharge revenue the CV CBD will receive in that fiscal year. The Rate is expressed as cents per $100 of assessed value of properties subject to the tax (nonprofit organizations and churches are exempt from paying it). Currently, the rate is $0.12 per $100 of assessed value. With some restrictions, Article VII, Section 3 of the Bylaws gives the Board only the authority to recommend an adjustment in the rate each year:
“The Board shall recommend to the Board of Estimates the Surtax rate each year. The rate of the Surtax may be adjusted to yield revenues which are no more than five percent (5%) greater than in the prior year. Any increase in the Surtax rate must be approved by a majority of the voting Board members.”

The Benefits District’s Surcharge Tax Rate has never been changed; it has been $0.12 per $100 since the beginning of the organization in 1994. In 2011, the CVCBD Board did recommend that the rate be increased to $0.132 per $100, but the Board of Estimates denied this request.

Obviously, the Annual Budget and Surcharge Tax Rate are closely tied together. The Rate determines projected surcharge revenue and the projected surcharge revenue accounts for over 80% of projected total revenue in the Annual Budget. Therefore, the Board always considers them together, and together they are called the “financial plan”.

The decision-making process is complex and can vary from year to year for a variety of reasons. However, the process can be described as having basically 4 phases:

**Phase 1: Development of the Preliminary Financial Plan**

In January, the Executive Director, working with the Treasurer, Finance Committee, and Program Committee, begins to develop a draft budget based on the City’s estimate of surcharge revenue for the next fiscal year and the Program Committee’s proposed services for the next fiscal year. At this time, the Finance Committee discusses the surcharge rate that should be proposed to the Board.

In March, the Treasurer presents the financial plan to the Board. Although the Board does not vote on it at this time, it does authorize the Executive Director to proceed to the next step in the process.

**Phase 2: Presentation of the Financial Plan at the Spring Meeting**

After the March Board meeting but before April 30th, the Executive Director conducts a formal presentation of the financial plan to the public at the Spring Meeting on the Financial Plan as required in Article V, Section 2 1 of the Bylaws. As a matter of practice this meeting is usually held in late March.

As already mentioned in Chapter 3, the Bylaws requires that the Board give special notification for this meeting not only to Board members but also to the public “. . . by publishing notice of the date, time, and place in a newspaper of general circulation in Baltimore City at least once a week for three consecutive weeks prior to the date of the public meeting . . . “ (Article V, Section 5.B) In addition, the Spring meeting is announced in the **District Bulletin** (the CVCBD newsletter) sent to all property owners (approximately 4,000), and in the **Charles Villager** newspaper distributed throughout the greater Charles Village area, and in flyers distributed by staff door-to-door and at neighborhood meetings. The cost to the CVCBD of publications for this extraordinary notification process for the Spring Meeting is $4,000 - $5,000 annually. After the presentation, the public is given time to comment on the financial plan.
Phase 3: Submission of the revised Financial Plan to the CVCBD Board

Based on public comments at the spring meeting, the Executive, Treasurer and Finance Committee develop a final proposed financial plan for the coming fiscal year. This is usually presented to the Board for review and approval at its April meeting (occasionally not until May) in the form of two resolutions one for the proposed budget and the other for the proposed surcharge rate. Examples of these documents are provided in Exhibit 6C on page 60 and Exhibit 6D on page 61. If the Board approves, the President and Secretary sign the resolutions.

Phase 4: Submission of the Board-Approved Financial Plan to the City Board of Estimates

In this final phase, the Executive Director forwards the Board-approved resolutions regarding the surcharge rate and annual budget to the City accounting department and assists staff in writing the proposed program description and budget summary for inclusion in the Board of Estimates Agenda Book. City staff schedule the CVCBD proposed financial plan for review by the Board of Estimates at a public hearing usually in early June.

Historically, a few residents submit written protests against the proposed CVCBD financial plan. Prior to the hearing, the Executive Director and Executive Committee (and sometimes the CVCBD’s legal counsel) prepare written responses that are submitted to the Board of Estimates for review.

Usually, the President, Treasurer and Executive Director appear at the Board of Estimates hearing to represent the CVCBD, explain the financial plan, and respond to the protests and questions. However, there have been notable exceptions. In 2010, for example, more than a dozen Board members and residents testified on behalf of the CVCB’s financial plan, especially the proposed increase in the surcharge rate to $0.134 per $100 of assessed value. As mentioned previously, the Board of Estimates denied this request, requiring that the CVCBD Board meet again to adopt a revised financial plan that the Executive Director presented to the Board of Estimates at a second hearing two weeks later.

Monthly Financial Statements

Each month, the CVCBD produces two formal statements for the previous month’s financial activities – the Balance Sheet and the Profit Loss Performance Statement - and an internal document created by the CVCBD called the Statement of Surcharge Tax Receipts with Prior Years. The Executive Director sends these to the Finance Committee for review the 3rd week of the month following the month being reviewed and then to the Board two weeks later.

This unavoidable delay is due to the fact that the statements are prepared by an external accountant but he must first receive the CVCBD’s monthly bank statements to do this work. The bank statements generally arrive at his office on or about the 10th of each month. Therefore there is a delay of several weeks in actually issuing the documents to the Finance Committee and two more weeks before they are sent to the Board. For example, at its meeting on May 19th 2011, the Finance Committee reviewed the April financial statements; the Board then reviewed the same statements at its meeting on June 14th. This is the general pattern throughout the year. The three statements are briefly described below.
Balance Sheet (Statement of Financial Position)

In *Understanding Nonprofit Financial Statements*, one of the reference books in the CVCBD library, the author Steven Berger says that “the statement of financial position, commonly known as the Balance Sheet, has traditionally been recognized as the most important of all the financial statements. . .”\(^{11}\) The reason it is so important is that it is the only statement that gives a “snapshot” summary of the overall financial “health” of the organization at a particular point in time. In other words, with this document, the Board can determine the overall financial worth and strength (or weakness) of the organization. The Balance Sheet accomplishes this remarkable feat by using three simple numbers: Total Assets, Total Liabilities, and Total Equity (sometimes called Net Assets or Fund Equity). “Total Assets” is the dollar value of everything the organization *owns*, “Total Liabilities” is the dollar value of everything the organization *owes*, and “Total Equity” is the *difference* between Total Assets and Total Liabilities.\(^{12}\) The greater “Total Assets” are compared to “Total Liabilities”, the healthier the organization.

An example of a CVCBD Balance Sheet (from September 2011) is provided in Exhibit 6G on page 66. This particular Balance Sheet is more informative than the usual one because it includes a comparison of the health of the organization the year before. The “snapshot” of financial health in September 2011 is in column 2 (the first column of numbers). Column 3 shows the same snapshot taken one year earlier in September 2010. Columns 4 and 5 respectively show the “$ change” and “% change” from 2010 to 2011.

The statement is divided basically into three parts (of multiple rows each) corresponding to assets (at the top), liabilities (in the middle) and equity (at the bottom). As can be seen in column 2, “Total Assets” in September 2011 is equal to $416,813, “Total Liabilities” is equal to $29,046, and “Total Equity” is equal to “$387,768. This last all-important figure compares very favorably with “Total Equity” in September 2010 when it was $311,236 or $76,532 (25%) less than in 2011.

The Balance Sheet can become quite complicated if the organization has fancy entries like “pledges to give”, or “tax exempt bonds” or “unrestricted”, “temporarily restricted” and “permanently restricted” net assets. But the CVCBD has none of these; its Balance Sheet is therefore relatively uncomplicated. When Board members review this document each month they should focus their attention mostly on total assets, total liabilities and total equity, and compare these numbers with the previous year.

One other set of numbers is important: the total amount of money the CVCBD has in its bank accounts. There are 4 accounts on the Balance Sheet located at the top under assets:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;T Bank - Main Account</td>
<td>209,807</td>
</tr>
<tr>
<td>Vehicle Savings Account</td>
<td>25,000</td>
</tr>
<tr>
<td>M&amp;T Reserve Fund</td>
<td>125,624</td>
</tr>
<tr>
<td>PETTY CASH</td>
<td>349</td>
</tr>
</tbody>
</table>


\(^{12}\) The Balance Sheet gets its name from the fact that “Total Assets” must always balance with (i.e. must always be equal to) the sum of “Total Liabilities” and “Total Equity”.  

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Chapter 6: Finances and Governance – The Finance Committee

Petty Cash is negligible and need not be of concern. The M & T Main account is the CVCBD checking account used to pay bills. The Vehicle and Reserve Funds are “set aside funds” which we would prefer not to use if we can avoid it. The questions Board members therefore should ask are: “Do we have sufficient funds available in the Main Account to meet our immediate and near future needs?” And, “If we receive the balance due on our Surcharge tax revenues, will we have sufficient funds in the Main Account to pay our bills through the balance of the year or will we have to draw from our Reserve Fund or Vehicle Fund?” To a certain extent, answering these questions requires having not only this information found on the Balance Sheet but also information from the other two Financial Statements.

Profit Loss Performance Statement

Once the Board of Estimates has approved the CVCBD Annual Budget, the Executive Director then generates a more detailed annual budget breaking it down into monthly projections for the fiscal year from July through June for income and expenses and forwards it to the external accountant. This detailed budget is then used to produce the second financial statement that the Finance Committee and Board review each month: the Profit Loss Performance Statement (PLPS). Unlike the Balance Sheet that reflects the organization’s financial position basically since its inception, this statement only reflects financial activity for the current month and fiscal year and only in the context of the Annual Budget. An example is provided in Exhibit 6H on page 67.

This statement is important because its shows actual income and expenses by line item compared to expected income and expenses by line item in the Annual Budget for the previous month and for the year to date. Despite the confusing array of numbers the PLPS is fairly easy to understand. It is divided into 4 columns or sets of columns. In the first column on the far left, Income and Expenses by line item are listed. In the next 3 columns, income and expense for the Current Month are listed with actual listed first, expected listed second and the variance between actual and expected listed last. The next 3 columns show the income and expenses Year to Date with actual first, expected second and the variance between actual and expected last. The last column of the far right shows the Total expected Income and Expenses as reflected in the Board-approved Annual Budget.

The Treasurer with support from the Executive Director reviews the PLPS as part of the Finance Report to the Board each month. The Treasurer will note significant variances and explain them. Board members may want to ask follow up questions. For instance, using the example in Exhibit 6H, members might ask: “Why are total Personnel Costs $7,586 less than expected?” and “Why are total costs for Contract Services $12,438 more than expected?”

Statement of Surcharge Tax Receipts with Prior Years

The third statement that the Board reviews each month is a special report unique to the Benefits District with the formidable title “Statement of Surcharge Tax Receipts with Prior Years” (referred to as the “SSTR” from this point on). The SSTR provides the Board with useful information about how much revenue from the Surcharge Tax the CVCBD has received from the City each month and enables the
Chapter 6: Finances and Governance – The Finance Committee

Board and Executive Director to make timely decisions about programs and staffing. An example of an SSTR is provided in Exhibit 6 I on page 70. Before explaining what information is in this statement, it is best to say a few more words about the surcharge revenue, the CVCBD’s primary source of income.

As explained earlier, at the beginning of the annual budget process the City sends the Benefits District an estimate of surcharge revenue for the coming fiscal year. For example, as can be seen in the PLPS shown in Exhibit 6H, the projected surcharge revenue for fiscal year 2012 is $679,335. This figure is deceptively precise; it is actually only an estimate based on the assumption that every property owner will pay the surcharge tax in the fiscal year it is due. In reality, this never happens. There are always some taxpayers who are delinquent. This fact is borne out in the SSTR chart: in the past 4 fiscal years, there was a shortfall of actual compared to expected surcharge tax collected of 1% in 2008, 9% in 2009, 7% in 2010, and 11% in 2011. Furthermore, it can take months or even years for the City to go through the legal process necessary to recover the monies owed to the CVCBD, sometimes requiring that the City seize property and recover taxes through “tax sale”. Consequently, the City is routinely collecting not only surcharge taxes owed during the current fiscal year but also in prior years. For example, in Exhibit 6 J on page 71 it can be seen that in September 2011, the City forwarded to the Benefits District a total of $104,560 in surcharge revenue of which $1,631.85 was from prior years.

In 2009, the Finance Committee began to understand the implications that this complex collection situation has for the CVCBD operations. The Executive Director therefore developed the Surcharge Tax Receipts with Prior Years statement as a tool the Board could use to track surcharge tax receipts and make timely decisions about programs and staffing.

The array of numbers on the sample SSTR shown in Exhibit 6 I make the document look more complicated than it is. On the far left side, the form is divided into rows labeled with the months of the year. The figures in the rows are the amounts received for that month. The note at the bottom explains that the City sends the CVCBD checks several weeks after collection so that the funds received are for the previous month. For example, the amounts in the row labeled “July” were actually received in August, and so forth. The rows under the months are for “Totals”. The major columns are labeled by fiscal year from FY2008 through FY2012. These major columns are subdivided into two more columns labeled “Current Yr.” and “Prior Yrs.” These figures are the amounts received in a given month for the current and prior years. In the example used previously, the total surcharge revenue received for August 2011 was $104,560 of which $1,632 was for prior years and $102,929 for the current year.

The receipts for FY 2011 show how important this information is to the Board and Executive Director. The total under “Current Yr.” indicates that the Benefits District received only $640,798 or 89% of the total expected of $722,367 – a shortfall of $80,569! This represents the annual salaries of 3 sanitation workers. Fortunately, the revenue from prior years of $54,616 made up for much of the current year shortfall. Even so, the shortfall was $26,953 the annual wage and benefits of 1 sanitation worker.

There is another pattern on the SSRT statement that is worth noting. This pattern has two components. First, the Benefits District generally receives more than half the expected surcharge revenue in the first quarter of the fiscal year; then there is a significant reduction especially in the last months of the year. Second, the City does not forward the CVCBD July check until the end of August due to the accounting
department being closed down to reconcile its books for the fiscal year. These two facts combine to cause a severe financial crunch for the CVCBD every year between May and the end of August. Until recently, the Executive Director had to ask Johns Hopkins for an advance on its “exempt property contribution” and also used the CVCBD line of credit with M & T Bank to get through that period. Fortunately, the CVCBD now has a Reserve Fund sufficient to cover expenses during that period. When the July check arrives, the Reserve Fund is replenished to its original level.

Annual Audit

An independent accounting firm audits the CVCBD finances annually, usually in August, and submits a formal report to the Board, usually in November. A sample a CVCBD audit is available in Document G

The audit usually takes several weeks to complete most of it being done in the auditor’s office using documents supplied by the Executive Director and the CVCBD external accountant. The “field” part of the audit – when the auditors actually come to the CVCBD office – takes one or two days. This involves the auditors physically reviewing a random sample of some types of records and all of others. Those records that are reviewed completely include: minutes to Board meetings, contracts, insurance policies, personnel policy manual, a computer run of all transactions for the year being audited, and lease agreement. Items that are reviewed by random selection include: 3 or 4 personnel files, 1 or 2 months records of deposits that have been made, and 1 or 2 months of checks that have been written.

The auditors prepare a draft of their final report and forward it to the Executive Director who forwards it to the Finance Committee for review and comment. Comments are conveyed to the auditor who then prepares the final report which the Executive Director distributes to the Board and to the City Board of Estimates. The auditor gives a presentation of the audit usually at the October or November Board meeting at which time members can ask questions.

Line of Credit

In May 2008, the CVCBD obtained a $50,000 Line of Credit from M & T Bank with an interest rate of “prime plus 1”. The Executive Director drew down the entire line in FY2008, partially in FY2009 and FY2010, and not at all in FY2011 and FY2012.

Signature Authority

The Executive may write and sign checks on his own authority up to $500 provided such checks are consistent with the annual budget; checks in amounts greater than $500 require the signature of a Board member with “signature authority”, usually either the President or Treasurer.

Contract Authority

The Executive Director may negotiate and execute contracts up to $20,000 provided such contracts are consistent with the provisions set out in Exhibit 6E: Resolution Delegating Limited Financial Authority to the Executive Director on page 62. Contracts over $20,000 or contracts of any amount not anticipated in the Annual Budget require Board review and approval.
Internal Control

“Internal Control” refers to the procedures that an organization has in place to ensure reliable financial reporting, effective, efficient operations, and compliance with applicable laws and regulations. Safeguarding assets against theft and unauthorized use, acquisition, or disposal is also part of internal control.

As a general rule, the best way to ensure that an organization’s assets are safeguarded against “unauthorized use, acquisition, or disposal” is to separate accounting functions so that no one person has control over the entire process, or even a large part of it. However, in a small organization like the Benefits District with only two staff directly involved in day-to-day administrative activities, “separation of functions” is very difficult. Nevertheless, the CVCBD has put in place an internal control system, involving staff, a payroll service, an outside accountant and the CVCBD Finance Committee and Board that has been reviewed and approved by the CVCBD auditor.
Exhibit 6A: Routine Agenda Items for Finance Committee Meetings

<table>
<thead>
<tr>
<th>Service/Activity</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statements</td>
<td></td>
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<tr>
<td>Budget Profit/Loss</td>
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<td></td>
<td></td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
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<td>x</td>
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<tr>
<td>Balance Sheet</td>
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<td></td>
<td></td>
<td></td>
<td>x</td>
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<td></td>
<td>x</td>
<td>x</td>
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<td>x</td>
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<tr>
<td>Surcharge Revenue w/ Prior Yrs</td>
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<td></td>
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<td>Annual Budget/Financial Plan</td>
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<tr>
<td>Decide on date for Public Hearing on the Financial Plan</td>
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<tr>
<td>Advertise Public Hearing on the Financial Plan</td>
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<td>Review surcharge tax rate</td>
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<td>Submit proposed tax rate to Board</td>
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<tr>
<td>Conduct Public Hearing on the Financial Plan</td>
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<tr>
<td>Submit Board approved tax rate to BOE</td>
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<td>Review draft budget</td>
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<td>x</td>
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<td>Submit draft budget to Board</td>
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<td>Submit Board approved budget to BOE</td>
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<td>Audit</td>
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<td>Program Grant Proposals Update</td>
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<tr>
<td>Contributions update</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Program Revenue Update (contract, other fees)</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Other</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
FINANCE COMMITTEE MEETING
MINUTES
September 15, 2011

I. Call to Order: 6:40 pm

II. Approval of Agenda: approved with no objections.

III. Review and Approval of Minutes: no minutes for review/approval

IV. Review of Financial Statements & Surcharge Revenue Chart: Mr. Moyes reviewed the attached documents. A brief discussion surrounding back surtax collection and amounts ensued. Mr. Millard pointed out the percentage of prior year’s collected surtax was not a significant amount of collected funds (between ~1% - ~4% over the past four years) and there was no way to predict future collection. Continued expense management remains a priority. Mr. Moyes noted a previous suggestion of a sub-account for reserving for replacement vehicles since the CVCBDMA had just needed to purchase a truck. The Committee suggested Mr. Hill reserve a full year’s worth of pro-rated cost of replacement ($20,000) for both vehicles out of operating funds into reserve as a sub account of the existing reserve. The idea would be to continue to hold funds in reserve on a regular basis (either annually or monthly) so when/if an unexpected replacement is necessary, the funds are there in reserve.

V. Executive Director’s Report: As noted in the previous Tuesday’s Board meeting, the audit is expected shortly given the recent field exam. The cost is ~$200 more this year than last.

VI. Public Comment: None

VII. Adjourn: 7:00 pm
BOARD OF DIRECTORS’

RESOLUTION

SURCHARGE TAX RATE FY 2012

A meeting of the Board of Directors was held pursuant to and in accordance with the Bylaws of the Charles Village Community Benefits District Management Authority on May 14, 2011. Jeff Millard, President, presided. Acting upon the following resolution, motion made and duly carried, it was:

RESOLVED: That the tax surcharge rate for fiscal year 2012 (July 1, 2011 – June 30, 2012) be $.12 per $100 of the assessed property value for all properties in the Charles Village Benefits District that are subject to the tax surcharge.

________________________________________________             _________________
Jeff Millard, President, CVCBDMA                              Date

________________________________________________             _________________
Jennifer Erickson, Secretary, CVCBDMA                       Date
Exhibit 6D: Resolution Regarding the Annual Budget (sample)

BOARD OF DIRECTORS’

RESOLUTION

BUDGET FY 2012

A meeting of the Board of Directors was held pursuant to and in accordance with the Bylaws of the Charles Village Community Benefits District Management Authority on May 14, 2011. Jeff Millard, President, presided. Acting upon the following resolution, motion made and duly carried, it was:

RESOLVED: That the budget for the Charles Village Community Benefits District Management Authority for fiscal year 2012 (July 1, 2011 – June 30, 2012) is $812,335 (see attached).

________________________________________________             _________________
Jeff Millard, President, CVCBDMA                                  Date

________________________________________________             _________________
Jennifer Erickson, Secretary, CVCBDMA                             Date
Board of Directors’ Resolution

DELEGATED AUTHORITY TO THE EXECUTIVE DIRECTOR

A meeting of the Board of Directors was held pursuant to and in accordance with the Bylaws of the Charles Village Community Benefits District Management Authority on January 9, 2007, 2007. Ronald Griffin presided as President. Acting upon the following resolution, upon motion made and duly carried, it was:

RESOLVED, that pursuant to Article III, Section 1 of the Authority’s Bylaws, the Board of Directors hereby grants the following powers and duties to the Executive Director / Administrator of the Authority to enable the Executive Director / Administrator to conduct the day-to-day operations of the Authority: the powers and duties incident to the office of a chief executive officer of an Authority and such other duties and powers as, from time to time may be assigned to the Executive Director / Administrator by the Board of Directors. Such powers and duties shall expressly include the power to sign and execute, in the name of the Authority, all individual contracts involving less than $20,000 in services or products annually, provided such contracts do not exceed limits for services and products in the Board approved budget. Such powers and duties shall not include the power to sign and execute, in the name of the Authority any other contracts unless specifically authorized by the Board of Directors. Such powers and duties shall also expressly include the authority to make all personnel decisions, including, but not limited to, the power to hire and fire and to set salaries (other than the Executive Director / Administrator’s salary), provided such decisions do not exceed the limits for personnel costs in the Board approved budget. The Executive Director / Administrator shall also have the power to make and have made deposits on behalf of the Authority, and shall be one of several signature authorities with the Authority’s banking institutions. Two signatures will be required on all checks issued against the Authority’s bank accounts.

DATED: February 8, 2007

ATTEST:
___________________________________________
Secretary

APPROVED:_____________________________________
President
### Exhibit 6F: Annual Budget (Sample)

<table>
<thead>
<tr>
<th>Income/Expense</th>
<th>FY 2012</th>
<th>Admin</th>
<th>Sanitation</th>
<th>Safety</th>
<th>Outreach</th>
<th>FY 2011</th>
<th>FY Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANTICIPATED INCOME</strong></td>
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<tr>
<td>Property Tax Surcharge</td>
<td>679,335</td>
<td>71,057</td>
<td>490,424</td>
<td>72,266</td>
<td>53,113</td>
<td>722,367</td>
<td>(43,032)</td>
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<tr>
<td>Exempt Property Contribution</td>
<td>63,000</td>
<td>6,590</td>
<td>45,481</td>
<td>6,702</td>
<td>4,926</td>
<td>63,000</td>
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<td>Grants*</td>
<td>65,000</td>
<td>6,799</td>
<td>46,925</td>
<td>6,915</td>
<td>5,082</td>
<td>65,000</td>
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<tr>
<td>Program Revenue</td>
<td>5,000</td>
<td>523</td>
<td>3,610</td>
<td>532</td>
<td>391</td>
<td>5,000</td>
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<tr>
<td><strong>Total Anticipated Income</strong></td>
<td>812,335</td>
<td>84,969</td>
<td>586,439</td>
<td>86,414</td>
<td>63,511</td>
<td>785,367</td>
<td>26,968</td>
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<td><strong>ANTICIPATED EXPENSES</strong></td>
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<tr>
<td><strong>Personnel Expenses: Salaries</strong></td>
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<tr>
<td>Executive Director</td>
<td>66,866</td>
<td>26,746</td>
<td>23,403</td>
<td>6,687</td>
<td>10,030</td>
<td>66,866</td>
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<td>Office Assistant</td>
<td>26,100</td>
<td>10,440</td>
<td>9,135</td>
<td>2,610</td>
<td>3,915</td>
<td>26,100</td>
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<td>3,605</td>
<td>16,223</td>
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<td>36,050</td>
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<td>10,585</td>
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<td>Supervisor (Sanitation)</td>
<td>37,080</td>
<td>3,708</td>
<td>33,372</td>
<td>37,080</td>
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<td>Assist Sup (Sanitation)</td>
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<td>23,577</td>
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<td>20,354</td>
<td>20,354</td>
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<td>Worker (Sanitation)</td>
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<td>21,170</td>
<td>21,170</td>
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<tr>
<td>Worker (Sanitation)</td>
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<td>20,354</td>
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<td>20,853</td>
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<td>Worker (Sanitation)</td>
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<td>Worker (Sanitation)</td>
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<td>20,853</td>
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### Chapter 6: Finances and Governance – The Finance Committee

<table>
<thead>
<tr>
<th>Income/Expense</th>
<th>FY 2012</th>
<th>Admin</th>
<th>Sanitation</th>
<th>Safety</th>
<th>Outreach</th>
<th>FY 2011</th>
<th>FY Variance</th>
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<tr>
<td>Worker (Sanitation) half time</td>
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<td></td>
<td></td>
<td></td>
<td>14,040</td>
<td>(14,040)</td>
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<td>Worker (Sanitation) weekend</td>
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<td></td>
<td>14,430</td>
<td>(14,430)</td>
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<td>Sanitation Workers - Seasonal</td>
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<td>6,000</td>
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<td>11,770</td>
<td>(5,770)</td>
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<td><strong>Subtotal Salaries</strong></td>
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<td>44,499</td>
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<td>36,104</td>
<td>30,167</td>
<td>434,593</td>
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<td>Payroll Taxes</td>
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<td>3,643</td>
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<td>Workers’ Comp. Insurance</td>
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<td>7,089</td>
<td>884</td>
<td>738</td>
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<td>Retirement Plan</td>
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<td>13,203</td>
<td>91,084</td>
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<td>39,233</td>
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<td><strong>Program Expenses</strong></td>
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<td>Printing/Publishing/Web</td>
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<td>2,000</td>
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<td>Trash Baskets*</td>
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<td>527</td>
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<td>Vehicle Operating (fuel, maintenance)</td>
<td>17,475</td>
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<td>13,790</td>
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<tr>
<td>Equipment</td>
<td>3,500</td>
<td>389</td>
<td>2,532</td>
<td>316</td>
<td>264</td>
<td>5,000</td>
<td>(1,500)</td>
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### Income/Expense

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<th>Admin</th>
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<th>Safety</th>
<th>Outreach</th>
<th>FY 2011</th>
<th>FY Variance</th>
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<td>1,447</td>
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<td>151</td>
<td>3,000</td>
<td>(1,000)</td>
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<td>451</td>
<td>377</td>
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<td>34,792</td>
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<td>3,624</td>
<td>53,800</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Accounting/Legal</td>
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<td>45</td>
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<td>534</td>
<td>3,472</td>
<td>433</td>
<td>362</td>
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<tr>
<td>Dues and Subscriptions</td>
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<td>278</td>
<td>1,808</td>
<td>225</td>
<td>188</td>
<td>1,430</td>
<td>1,070</td>
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<td>222</td>
<td>1,447</td>
<td>180</td>
<td>151</td>
<td>1,900</td>
<td>100</td>
</tr>
<tr>
<td>Property and Liability Insurance</td>
<td>3,500</td>
<td>389</td>
<td>2,532</td>
<td>316</td>
<td>264</td>
<td>4,000</td>
<td>(500)</td>
</tr>
<tr>
<td>Postage</td>
<td>3,500</td>
<td>389</td>
<td>2,532</td>
<td>316</td>
<td>264</td>
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</tr>
<tr>
<td>Travel</td>
<td>3,500</td>
<td>389</td>
<td>2,532</td>
<td>316</td>
<td>264</td>
<td>1,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>2,000</td>
<td>222</td>
<td>1,447</td>
<td>180</td>
<td>151</td>
<td>3,500</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Interest and Banking Expense</td>
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<td>111</td>
<td>723</td>
<td>90</td>
<td>75</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Overhead Expenses</strong></td>
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<td>4,935</td>
<td>32,115</td>
<td>4,004</td>
<td>3,346</td>
<td>46,130</td>
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<tr>
<td><strong>Total Anticipated Expenses</strong></td>
<td>767,334</td>
<td>80,262</td>
<td>553,952</td>
<td>81,627</td>
<td>59,993</td>
<td>753,572</td>
<td>13,762</td>
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<tr>
<td><strong>Anticipated Excess Income Over Expense</strong></td>
<td>45,001</td>
<td>4,707</td>
<td>32,487</td>
<td>4,787</td>
<td>3,518</td>
<td>31,795</td>
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<td><strong>Percent Total</strong></td>
<td>94%</td>
<td>10%</td>
<td>72%</td>
<td>11%</td>
<td>8%</td>
<td>96%</td>
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Chapter 6: Finances and Governance – The Finance Committee

Exhibit 6G: Balance Sheet (Sample)

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<th>Sep 30, 10</th>
<th>$ Change</th>
<th>% Change</th>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking/Savings</td>
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<td></td>
<td></td>
<td></td>
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<td>M&amp;T Bank - Main Account</td>
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<td>M &amp; T Reserve Fund</td>
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<td>100,497</td>
<td>25,127</td>
<td>25%</td>
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<td>PETTY CASH</td>
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<td>186</td>
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</tr>
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<td>Total Checking/Savings</td>
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<td>Marketable Securities</td>
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<td>0%</td>
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<tr>
<td>Total Other Current Assets</td>
<td>5,141</td>
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<tr>
<td>Total Current Assets</td>
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<td>301,477</td>
<td>64,444</td>
<td>21%</td>
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<td>Fixed Assets</td>
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<tr>
<td>PROPERTY AND EQUIPMENT</td>
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<td></td>
</tr>
<tr>
<td>FURNITURE AND EQUIPMENT</td>
<td>61,066</td>
<td>55,656</td>
<td>5,410</td>
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<td>VEHICLES</td>
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<td>Total PROPERTY AND EQUIPMENT</td>
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<td>Liabilities</td>
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<tr>
<td>Current Liabilities</td>
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<tr>
<td>Other Current Liabilities</td>
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<td></td>
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<td>CAPITALIZED LEASE</td>
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<td>Total PAYROLL LIABILITIES</td>
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<td>Total Other Current Liabilities</td>
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</tr>
<tr>
<td>Total Liabilities</td>
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<td>24%</td>
</tr>
<tr>
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### Exhibit 6H: Profit Loss Performance Statement (Sample)

#### Charles Village Community Benefits District

#### Profit & Loss Budget Performance – September 2011

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<th>Year to Date</th>
<th>Budget</th>
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<td>Variance</td>
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<td><strong>Income</strong></td>
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<td>PERSONNEL EXPENSEES</td>
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### PROGRAM COSTS

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<th>2022</th>
<th>2023</th>
<th>2024</th>
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<td>1,456</td>
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<td>4,371</td>
<td>-1,987</td>
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<td>0</td>
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<td>CONTRACT SERVICES</td>
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<td>30,938</td>
<td>18,500</td>
<td>12,438</td>
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<td>1,757</td>
<td>2,250</td>
<td>-493</td>
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<td><strong>Total PROGRAM COSTS</strong></td>
<td>5,485</td>
<td>7,746</td>
<td>-2,261</td>
<td>52,576</td>
<td>46,527</td>
<td>6,049</td>
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### FACILITY EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
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<tr>
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<td>375</td>
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<td>1,199</td>
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<td>-1,176</td>
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<td>JANITIORAL AND CLEANING</td>
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<td>90</td>
<td>-90</td>
<td>102</td>
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<td>-168</td>
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<td>0</td>
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<td>7,650</td>
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<td>TELEPHONE</td>
<td>941</td>
<td>520</td>
<td>421</td>
<td>1,974</td>
<td>1,560</td>
<td>414</td>
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<td>UTILITIES</td>
<td>447</td>
<td>450</td>
<td>-3</td>
<td>1,341</td>
<td>1,325</td>
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<td><strong>Total FACILITY EXPENSE</strong></td>
<td>4,331</td>
<td>4,110</td>
<td>221</td>
<td>12,504</td>
<td>13,805</td>
<td>-1,301</td>
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### OVERHEAD

<table>
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<tr>
<th>Description</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNTING &amp; LEGAL</td>
<td>950</td>
<td>950</td>
<td>0</td>
<td>1,850</td>
<td>1,850</td>
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<td>ADVERTISING</td>
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<td>750</td>
<td>-129</td>
<td>621</td>
<td>750</td>
<td>-129</td>
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<td>-90</td>
<td>269</td>
<td>270</td>
<td>-1</td>
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<td>BOARD MEETING EXPENSES</td>
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<td>50</td>
<td>-50</td>
<td>0</td>
<td>150</td>
<td>-150</td>
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<tr>
<td>PUBLIC MEETING EXPENSES</td>
<td>138</td>
<td>210</td>
<td>-72</td>
<td>138</td>
<td>610</td>
<td>-472</td>
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### Chapter 6: Finances and Governance – The Finance Committee

#### COMPUTER SUPPORT AND EXPENSE
- 300
- 300
- 0
- 400
- 1,200
- -800
- 4,800

#### DUES AND SUBSCRIPTIONS
- 50
- 50
- 0
- 410
- 150
- 260
- 2,500

#### EQUIPMENT RENTAL
- 80
- 300
- -220
- 642
- 900
- -258
- 1,500

#### D & O INSURANCE
- 0
- 0
- 0
- 0
- 0
- 0
- 2,000

#### INTEREST EXPENSE
- 0
- 0
- 0
- 0
- 0
- 0
- 0

#### PROP & LIAB INSURANCE
- 0
- 0
- 0
- 51
- 0
- 0
- 3,500

#### OFFICE EXPENSE
- 0
- 0
- 0
- 0
- -18
- 400
- -418
- 2,000

#### POSTAGE & DISTRIBUTION
- 500
- 700
- -200
- 570
- 950
- -380
- 3,500

#### TRAVEL
- 0
- 275
- -275
- 0
- 825
- -825
- 3,500

#### Total OVERHEAD
- 2,739
- 3,775
- -1,036
- 5,106
- 8,055
- -2,949
- 44,400

#### Total Expense
- 66,922
- 73,172
- -6,250
- 204,876
- 210,933
- -6,057
- 767,334

#### Net Ordinary Income
- 37,728
- 14,245
- 23,483
- 216,331
- 201,149
- 15,182
- 45,001

#### Net Income
- 37,728
- 14,245
- 23,483
- 216,331
- 201,149
- 15,182
- 45,001

#### DEPRECIATION EXPENSE
- 1,425
- 4,275

#### Net Income Minus Depreciation Expense
- 212,056
### Exhibit 6 I: Statement of Surcharge Tax Receipts with Prior Years (Sample)

**SURCHARGE TAX RECEIPTS**

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2008</th>
<th></th>
<th>FY2009</th>
<th></th>
<th>FY2010</th>
<th></th>
<th>FY 2011</th>
<th></th>
<th>FY 2012</th>
<th></th>
<th>Totals</th>
<th></th>
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<tr>
<td></td>
<td>Current Yr</td>
<td>Prior Yrs</td>
<td>Current Yr</td>
<td>Prior Yrs</td>
<td>Current Yr</td>
<td>Prior Yrs</td>
<td>Current Yr</td>
<td>Prior Yrs</td>
<td>Current Yr</td>
<td>Prior Yrs</td>
<td>Current Yr</td>
<td>Prior Yrs</td>
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<tr>
<td>July</td>
<td>168,855</td>
<td>No Data</td>
<td>209,820</td>
<td>4,542</td>
<td>217,882</td>
<td>1,187</td>
<td>235,801</td>
<td>1,786</td>
<td>265,631</td>
<td>3,270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>104,673</td>
<td>1,049</td>
<td>69,690</td>
<td>1,436</td>
<td>114,442</td>
<td>1,353</td>
<td>88,334</td>
<td>1,165</td>
<td>102,929</td>
<td>1,632</td>
<td></td>
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<tr>
<td>Sept</td>
<td>31,982</td>
<td>57</td>
<td>49,857</td>
<td>661</td>
<td>44,710</td>
<td>799</td>
<td>76,479</td>
<td>1,870</td>
<td>57,076</td>
<td>1,330</td>
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<tr>
<td>Oct</td>
<td>24,671</td>
<td>2,087</td>
<td>41,985</td>
<td>944</td>
<td>49,022</td>
<td>936</td>
<td>47,880</td>
<td>670</td>
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<tr>
<td>Nov</td>
<td>20,184</td>
<td>286</td>
<td>7,493</td>
<td>180</td>
<td>16,175</td>
<td>762</td>
<td>10,358</td>
<td>925</td>
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<tr>
<td>Dec</td>
<td>No Data</td>
<td>No Data</td>
<td>35,051</td>
<td>619</td>
<td>8,336</td>
<td>254</td>
<td>12,138</td>
<td>5,116</td>
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<tr>
<td>Jan</td>
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<td>11,662</td>
<td>No Data</td>
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<td>47</td>
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<td>Feb</td>
<td>5,824</td>
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<td>Mar</td>
<td>11,673</td>
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<td>42,172</td>
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<td>April</td>
<td>18,217</td>
<td>1,997</td>
<td>35,296</td>
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<td>20,289</td>
<td>7,673</td>
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<tr>
<td>May</td>
<td>11,614</td>
<td>1,916</td>
<td>7,397</td>
<td>429</td>
<td>8,674</td>
<td>4,937</td>
<td>6,557</td>
<td>2,725</td>
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<tr>
<td>Totals</td>
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<td>9,029</td>
<td>482,270</td>
<td>20,040</td>
<td>581,318</td>
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<td>54,616</td>
<td>425,636</td>
<td>6,232</td>
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<tr>
<td>Actual</td>
<td>450,089</td>
<td></td>
<td>502,310</td>
<td></td>
<td>615,438</td>
<td></td>
<td>695,414</td>
<td></td>
<td>431,868</td>
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<td>$2,695,119</td>
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<tr>
<td>Expected</td>
<td>441,200</td>
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<td>527,424</td>
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<td>621,861</td>
<td></td>
<td>722,367</td>
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<td>679,334</td>
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<td>Variance</td>
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</table>

**Note:** City sends the surcharge check around the 20th of the month for the **previous month’s receipts** plus prior years. Therefore, the amounts in the columns reflect the revenue for the month in the left hand column **NOT** the month it was received by CVCBD.
Exhibit 6 J: Monthly Surcharge Tax Revenue Cover Sheet (sample)

CHARLES VILLAGE COMMUNITY BENEFIT DIST  
2434 ST. PAUL STREET  
Baltimore MD 21218  

PAYMENT RECAP (DIST 3)  
AUGUST 2011

<table>
<thead>
<tr>
<th>PAYMENTS</th>
<th>TOTAL AMT REC'D</th>
<th>ADJUSTMENTS</th>
<th>TOTAL DUE</th>
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</thead>
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<tr>
<td>CURRENT YEAR</td>
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<td>0.00</td>
<td>102,962.23</td>
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<tr>
<td>PRIOR YEARS</td>
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<td>1,631.85</td>
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<tr>
<td>ON LINE PAYMENT DEBIT</td>
<td>33.62</td>
<td></td>
<td>(33.62)</td>
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<tr>
<td>PAYMENT TOTAL</td>
<td>104,594.08</td>
<td>33.62</td>
<td>104,560.46</td>
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BUDGET A/C #: 1001-0000000-0000-0000000-270039
Mission of the Benefits District Revisited

As stated in the first chapter, the Mission of the Benefits District is

“to promote and market the District, provide supplemental security and maintenance services, provide amenities in public areas, provide park and recreational programs and functions, and other services and functions as requested by the Authority and approved by the Mayor and City Council.”

In other words, the mission is to provide supplemental services to residents of the community and to make Charles Village a safe and clean place to live, play, and work. This is the heart of the organization; this is why the Benefits District exists.

Nevertheless, it is easy for Board members and the Executive Director to lose sight of the mission. As they attend what often seems like innumerable meetings to review and discuss complex finance or governance issues, or prepare the Annual Budget, or organize the Quad Elections, they may forget why they volunteered to serve with the Benefits District in the first place. But, in fact, everything the Board does as part of the governance process and everything the Executive Director and staff do as part of the management process should actually help directly or indirectly to provide, sustain, and enhance the programs and services that the organization was meant to deliver.

Just as programs are the heart of the Benefits District’s mission, the Program Committee is the heart of the governance process.

The Program Committee is a standing committee whose purpose is to ensure that the programs and services operated by the CVCBD are coordinated and effective. This committee “recommends and reviews the activities of the CVCBD related to promotional, safety and sanitation programs, and any other programs approved by the Board (Article VI, Section 4 of the Bylaws). A detailed list of these responsibilities is provided in Document C: Committees and Descriptions:

Responsibilities of the Program Committee

- Develop Work Plan each year that identifies, prioritizes, and outlines goals, strategies, timeline and accountability for Committee and staff that is compliant with the mandate and mission of the organization and includes the input of groups and residents in the District;
- Develop strategies for sending information to members of the community;
- Develop strategies for engaging involvement in Charles Village from members of the community;
- Devise the media plan by assisting in development of message, media strategies, and relations, and implements this plan;
- Assist with design and content of marketing and communications material, including website, newsletter, flyers, etc., when needed;
- Monitor program to ensure accomplishment of – and celebrate accomplishments of - stated goals;
Chapter 7: Programs and Governance – The Program Committee

- Participate in efforts to promote Charles Village and the activities of the community both within and beyond the area;

Sanitation, safety and outreach and communications Program functions:

- Solicit input and ideas about sanitation, safety, communications and outreach within the District;
- Monitor program to ensure accomplishment of – and celebrate accomplishments of - stated goals;
- Assist in providing sanitation and safety information and outreach to community residents;
- Review crime stats, trends, and resident input to target sanitation and crime fighting strategies;
- Ensure baseline service agreement with City is in compliance;
- Advocate for strong sanitation and safety efforts in the District;
- Ensure residents and stakeholders in the District are aware of sanitation and safety issues;
- Ensure strategies are coordinated with other Committees;

Routine Agenda Items for Program Committee Meetings

Like the other standing committees and the Board, the Program Committee has to consider some issues at certain times of the year. For example, in conjunction with the development and final approval of the Annual Budget, the Program Committee must determine which programs the CVCBD is going to offer in the coming fiscal year given budget constraints and other considerations. Its discussions culminate with issuance of the Baseline Agreement with the Community in July.

Many other routine agenda items also occur in a regular cycle; these are listed in Exhibit 7A on page 78. An example of minutes for a Program Committee meeting is provided in Exhibit 7B on page 80. Some of the committee’s routine agenda items are discussed below.

The “Baseline Agreement with the Community”

In 2009, the Program Committee started to produce an annual document called the Baseline Agreement with the Community. A copy is provided in Document I (the Agreement).

The Agreement serves two purposes. First, as committee members develop the document the process focuses their attention on reviewing existing services and designing the service mix for the coming year. During this 2-3 month period, members examine every aspect of the CVCBD’s services, asking which ones work and which ones do not (and why), and whether some should be deleted and others added. Second, the Agreement - once it is approved by the Board in June, and then posted on the CVCBD website and distributed - serves to inform property owners and the community in general what services the CVCBD will provide during the year.

Board members are encouraged to read this document so that they are fully informed and can accurately answer resident’s questions.

Using the Agreement as a guide, CVCBD services are discussed below in three broad categories – sanitation, safety and outreach - together with a little history and discussion of some issues related to them.
Supplemental Sanitation Services

As summarized in the Agreement, the Benefits District provides the following supplemental sanitation services on a regular basis throughout the year:

- Sweeps the sidewalks and gutters,
- Removes bulk trash from the alleys and streets,
- Empties trash baskets, and
- Cleans the alleys.

The frequency of these services varies from one year to the next depending on the annual budget. For example, in FY2010-2011, alleys were cleaned twice a week; in FY2011-2012 they are only cleaned weekly due to the projected loss of $47,000 in surcharge revenue.

Two of these services are relatively new. The Alley Cleaning service was begun in 2010 due to popular demand among residents. The CVCBD Trash Basket Initiative began at the end of 2007. Prior to that time there were only 6 trash baskets in the entire District. Gradually since 2007, the number has been increased to 85, mostly old wire mesh and concrete baskets provided by the City. In December 2010, the CVCBD launched a campaign to raise the funds from foundations and donations to replace all 85 with new, larger metal trash cans with the CVCBD logo embossed on the side.

The Benefits District also provides the following annual or seasonal supplemental sanitation services:

- Removes leaves from the sidewalks and gutters during the fall
- Removes crabgrass and weeds from the corner gutters in the spring and summer
- Provides sanitation services in supports of community events such as the Mayor’s Fall and Spring Cleanups, and the annual Charles Village and Abell Community Festivals

The first two services are relatively new. The Fall Leaf Removal Campaign was conducted for the first time in 2008; the first Crabgrass Removal Campaign in 2009. The level of these services varies according to budget constraints. For example, in the fall of 2010, the CVCBD spent $10,000 for 10 temporary workers to help residents remove leaves; in 2011, this line item had to be cut to $6,000. To increase efficiency, the CVCBD contracted with Tuerk House that provided 5 temporary workers for 7 weeks. See Document K: Fall Leaf Removal Contract

Finally, there are occasionally special projects that the Benefits District has conducted or is conducting. The following are two examples:
Chapter 7: Programs and Governance – The Program Committee

- After the great North American Blizzards in early February 2010 staff assisted the City and residents to recover by shoveling snow at bus stops, storm drains and fire hydrants, and cutting walk ways through the snow at corners.

- After almost two years of discussion and research, the Benefits District launched a one year pilot Rat Abatement Project in 2011. The project has 2 components. First, a Rat Abatement component that involves contracting with a professional exterminating company to place, monitor, and replenish rat bait stations throughout the District. See Document J: “Rat Abatement” Contract Second, it includes an educational component that involves staff conducting 4 educational presentations to the community on “what residents can do to assist in rat abatement”.

As noted in the Agreement, there are some sanitation services and activities that the Benefits District cannot provide regardless of budget constraints. The Benefits District cannot:

- Sweep private property. Private property begins at the bottom of the first step of the property’s stoop or the bottom of the first step into the property’s front yard.
- Remove crab grass and weeds from sidewalks, tree wells or private property.
- Remove garbage and other materials from private property unless under a “fee-for-service” contract.
- Remove large furniture, appliances, tires, construction materials, hazardous waste, trees or large branches, or cloth covered items (i.e. sofas, and mattresses) infested with fleas or bed bugs.
- Issue Sanitation Citations or collect fines.

Until 2010, the Benefits District did remove “cloth covered items (i.e. sofas, and mattresses)”. However, in December 2010, the City strongly advised against this practice because items infested with bed bugs and fleas require special handling and disposal by trained City personnel.

Community Safety Program

The second category of services the Benefits District provides is security services through its Community Safety Program. Before listing and describing these services a few words should be said about the origins of this program.

The Community Safety Program was created in July 2009. Prior to that time from the organization’s inception in the 1990s, CVCBD had operated a “boots on the street” security patrol program. Due to severe budget constraints, the CVCBD security staff was limited in number and the extent of its patrols – from 2006 to 2009 For example, a total of 3 staff patrolled in 2 shifts from 7:30 am to 9 pm Monday through Friday, never in the late evening or early morning hours and never on the weekends. Furthermore, staff did not have arrest powers and could not carry a firearm; they were the “eyes and ears” of the community and were advertised as such to residents.

In December 2008, the Executive Director recommended to the Board that this program be disbanded because there was no evidence that it was effective in preventing crime, and that it would be prohibitively expensive to put in place a patrol program that could be effective.
Chapter 7: Programs and Governance – The Program Committee

After more than three months of discussion and debate and of listening to community input – both for and against this proposal - from all the neighborhood and business associations, the Board voted to disband the security patrol program in favor of a “community based” program.

The general idea behind the community safety program is that the Benefits District will provide services that educate residents about safety issues and support and promote security related activities that engage residents. These are described in detail in the Agreement and are as follows:

- Support the Neighborhood Walkers on Patrol Program
- Support the Safety Advisory Council and its Crime Watch Program
- Provide “crime follow up” implement a “Victims’ Assistance” support program for residents who have been victims of crime
- Provide the community with follow up on crimes committed in the District
- Develop and distribute safety education materials to the community including organizing and conducting workshops on safety issues
- Develop and distribute a weekly “Crime Alert” and additional flyers and posters as needed to advertise safety related news and activities
- Provide a security presence at the beginning and the end of neighborhood association and other Community meetings held in the District, and at District events such as the Charles Village Festival.
- Routinely collect statistical data about the activities of the Community Safety program and publish statistical charts and graphs on the Authority’s website.

Re-instatement of Security Patrol Program: In March 2012, the Board decided to fund a security patrol program in FY 2013 but using armed off duty police officers with arrest powers instead of the unarmed security guards employed in the past. During the summer 2012, the CVCBD purchased security vehicles and engaged the services of BWI Management Company to identify off duty police officers for the new program which began September 2012.

As noted in the Agreement, there are some safety services and activities that the Benefits District cannot provide regardless of budget constraints. The Benefits District cannot:

- Make arrests.
- Carry weapons or handcuffs.
- Issue tickets or citations or collect fines.
Chapter 7: Programs and Governance – The Program Committee

Block Captain Program

In FY2011-2012, the Benefits District’s AmeriCorps VISTA is developing and implementing a “Block Captain” program including a workshop to train leaders in the community. The goals are to: enlist and train at least 20 new block leaders by June 30 2012, and to conduct at least one activity in each of the following safety and sanitation categories working with the new Block Captains: community cleanup and greening of abandoned lots, Neighborhood Walkers on Patrol, adoption of common green spaces as public gardens, Light Up the Night porch-light project, tree wells cleaning and maintenance.

Outreach and Communication

In addition to providing the supplemental sanitation services listed above, the CVCBD routinely collects and publishes data regarding these services on the CVCBD website and distributes information on Facebook and Twitter, in a bi-annual CVCBD newsletter, the quarterly Charles Villager (full page 5), a Grime Alert email blast and other publications – such as flyers and posters - as needed from time to time to advertise sanitation related news and activities.

Administrative and Program Staff and Contractors

The Benefits District staffing pattern varies of course depending on the annual budget. It has already been mentioned for example that the expected reduction in surcharge revenue in FY 2011-2012 forced the CVCBD to reduce its sanitation team by two.

In FY 2012, the CVCBD has permanent full time staff and several independent contractors either providing specific programs or on retainer to provide services as needed. These are as follows:

Full time staff (15):

- Executive Director
- Coordinator, Communications
- Coordinator (Community Safety Program)
- Worker (half time Safety/half time Sanitation)
- Supervisor (Sanitation)
- Assistant Supervisor (Sanitation)
- (9) Workers (Sanitation)

Contractors: Accountant; Webmaster; IT Maintenance; Fall Leaf Removal (7 week contract); Rat Abatement (12 month contract)
## Exhibit 7A: Routine Agenda Items for Program Committee Meetings

<table>
<thead>
<tr>
<th>Service/Activity</th>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
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## Program Committee's Routine Agenda Items
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PROGRAM COMMITTEE MEETING
August 22, 2011
MINUTES

Attending: Voting members: Kirsch Jones, Bob Cooke, Jim Anthony, Tamara Payne, Jeff Millard. Staff: David Hill, Diana Mitchell, Matthew Bradby

I. Call to order: 7:07 pm

II. Agenda approved

III. Minutes for June meeting approved

IV. Report – Safety Services Summary for July, August 2011

Walkers On Patrol – A Hopkins group will start again in September, on Tuesday nights. The Wednesday night walk has been drawing 5-10 people. Bikers on Patrol program has been initiated, with 15-16 people attending the first night. The Old Goucher Midnight Walk took place Friday, 8/19, from Midnight to 1:30am, with 11 walkers.

Safety Advisory Council – has now generated over 60 letters urging the City courts to impose appropriate sentences for those who have broken laws in the Charles Village community.

National Night Out Against Crime – was a success. The Mayor—as well as the City State’s Attorney and a number of political candidates—showed up and presented a citation to CVCBD. Representatives from the Baltimore Child Abuse Center were also on hand. Monster Energy donated free drink samples, and a total of 8 bicycles from Police Department inventory were given away at 3 NNO locations.

Security Camera Program – Having established a target date of January/February 2012 to have this program up and running, Diana Mitchell is getting comparative information about systems and prices from at least 2 suppliers. Working with committee members Jones and Cosgrove, she has determined that a strong pilot program should consist of 3 neighborhood-based systems—in Old Goucher, Charles Village and Harwood—each consisting of 15 to 23 cameras. She is also negotiating with PNC Bank for the right to review their security camera footage to help identify illegal dumpers on 25th Street. The cost of the pilot program is expected to be in the range of $60-70,000 dollars.
Chapter 8: Stewardship – The Governance Committee

As the previous chapters have made clear, governance of the Benefits District requires strict adherence not only to the Bylaws of the organization but also to state and City statutes (the enabling legislation) and to Robert’s Rules of Order and the Open Meetings Act of Maryland. Failure to adhere - or even appearing not to adhere - to all the requirements, rules, restrictions, and procedures contained in these documents can have serious consequences including legal actions against the CVCBD or ultimately to denial of reauthorization.

Responsibilities of the Governance Committee

Under these circumstances, the Board must have a mechanism for overseeing and monitoring its own actions to ensure that they are in compliance with the rules under which it must operate. This is the responsibility of the Governance Committee. A brief description of its functions is given in Article VI, Section 2 of the Bylaws. A more detailed description is given in Document C: Committees and Descriptions. The committee’s responsibilities are divided into two categories, stewardship and Board development, described below:

Stewardship Function

- Coordinate and provide Board Training and new Board Member Orientation as needed;
- Present information on Board responsibilities and policies;
- Prepare Board Manual annually updating material as needed;
- Present items for amendment to operating procedures and other items in order to help the Board operate efficiently and effectively;
- Ensure annual review of the implementation of the organization’s mission and coordinate Planning committee when needed;
- Review and propose changes to bylaws as needed;
- Develop Work Plan each year that identifies, prioritizes, and outlines goals, strategies, timeline and accountability for Committee and staff that is compliant with the mandate and mission of the organization and includes the input of groups and residents in the District;
- Monitor program to ensure accomplishment of – and celebrate accomplishments of - stated goals;

Board Development Function

- Work with Executive Committee to recruit and qualify interested persons for the positions on the Board that are not elected by the constituents directly (i.e., representatives from local non-profits, etc.) so that a slate of nominees and officers to the Board can be presented on October 31 of each year in preparation for approval in January at the Annual Meeting
- Coordinate October Quad Elections in the same timeframe listed above;
Chapter 8: Stewardship – The Governance Committee

- Work with Board members to recruit and present nominees for vacant posts, subject to the approval of the entire Board.
- Develop Work Plan each year that identifies, prioritizes, and outlines goals, strategies, timeline and accountability for Committee and staff that is compliant with the mandate and mission of the organization and includes the input of groups and residents in the District;
- Monitor program to ensure accomplishment of – and celebrate accomplishments of - stated goals;
- Operate following the General Practices of Board Committees.

Routine Agenda Items for Governance Committee Meetings

The Governance Committee, like the Board and the other three committees, has to consider some issues at certain times of the year. For example, the Governance Committee is responsible for the Quad Elections that are conducted every year in October. This means the committee will begin to discuss this item in July or August to ensure that everything is done in preparation in a timely manner.

Many other routine agenda items also occur in a regular cycle; these are listed in Exhibit 8A on page 87. An example of minutes for a Governance Committee meeting is provided in Exhibit 8B, page 89. Some of the Governance Committee’s routine agenda items are discussed in detail below.

Slate of Officers

Article III, Section 2 of the Bylaws says “An officer’s term shall be for one year, beginning January 1.” This means that a new set of officers (called a “slate”) must be presented to and approved by the Board at the beginning of each year.

The Governance Committee is responsible for developing the “slate of officers” a process that usually begins in November of the previous year. The Chairperson working with other members of the committee, polls the current officers to determine if they are still eligible to serve; if they are willing to serve an additional year as officer or if changes need to be made in who is serving in which position.

For example, at the end of 2010, the sitting President was not eligible to serve another term due to term limits. This meant that there was a vacancy in the President’s seat for the coming year. The other 3 sitting members were willing to continue to serve. The Chairperson then determined that the sitting Treasurer was willing and eligible to serve as President and that another Board member had been identified who was willing and eligible to serve as Treasurer. Thus the slate became

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<th>Officer</th>
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<td>President</td>
<td>the former Treasurer</td>
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<td>Vice President</td>
<td>same member as the previous year</td>
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<td>Treasurer</td>
<td>new proposed officer</td>
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<td>Secretary</td>
<td>same member as the previous year</td>
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This slate was then approved by the Governance Committee in December along with a recommendation that the sitting At-Large member of the Executive Committee be approved to serve another term. In January, the Chairperson presented the approved slate of officers to the Board for approval. The recommendation was approved. Next the Chairperson recommended to the Board that the former Member at Large on the Executive Committee (who is not an officer and therefore not part of the slate) be approved for an additional term. This recommendation was also approved. With these changes the officers and the Executive Committee were reviewed and approved by the Board.

This basic process for selecting the members of the Executive Committee is followed each year.

Unlike many nonprofit organizations, the CVCBD does not have seats on the Executive Committee for either the “President-Elect” or the “Immediate Past President”.

Verification of Board Member Credentials

As mentioned already in Chapter 2, each member must satisfy certain criteria for membership depending on the seat he or she is filling. The criteria are worth repeating.

The 14 voting association members and the Mayor’s representative must (according to Section 1 B) meet one of the following criteria:

- An owner of property within the District that is subject to the Surtax; or
- A voter registered to vote within the District; or
- An individual designated to represent an owner of a property that is subject to the Surtax and utilized for commercial purposes if the individual is (a) a tenant of the owner, (b) a corporate officer or partner of a tenant of the owner, or (c), a business representative or agent of the owner, provided that the owner authorizes and designates in writing the individual to represent the owner on the Board.

The 4 Quad Representatives, who are elected by residents, must (according to Section 2 A. 4) meet one of the following criteria:

- Is a resident of the quadrant that the individual seeks to represent and is registered to vote within that quadrant; or
- Owns property that is subject to the Surtax in the quadrant that the individual seeks to represent.

The Governance Committee is responsible for verifying member’s credentials. The Chairperson and Executive Director collect the documentation (appointment letters, picture ID, verification of residency, and/or home ownership, etc.) required for each member prior to the first meeting of the Board year in January. These are kept in a credentials book and also posted on the website; an example is provided in Exhibit 8C on page 90.
Chapter 8: Stewardship – The Governance Committee

Oath of Office

At the beginning of the Board year in January each member must take an Oath of Office, administered by the Baltimore City Clerk who attends the meeting in person for this purpose. The members affirm that they will uphold to the best of their ability both the constitution of Maryland and the CVCBD Bylaws. The Chairperson of the Governance Committee is responsible for contacting the City Clerk and arranging for his attendance.

In the event that a Board member cannot attend the first meeting, or a Board vacancy must be filled during the year, it is the Chairperson’s responsibility to ensure that the new member is sworn in by the Clerk at his office in downtown Baltimore prior to taking his or her seat.

Having Board members take an Oath of Office is a relatively new procedure started in 2009 as a result of the court decision in Joan L. Floyd v. Mayor and City Council of Baltimore et al

Quad Elections

As already mentioned in Chapter 3, the Board composition includes 4 members who are elected annually by eligible residents at a special meeting in October. The boundaries of the 4 quads are presented in the map in Exhibit 8D: Map of Quad Boundaries on page 92. The Governance Committee is responsible for conducting the fall meeting and the Quad Elections.

The Bylaws requires that the Board give special notification for this meeting to Board members and also to the public “by publishing notice of the date, time, and place in a newspaper of general circulation in Baltimore City at least once a week for 3 consecutive weeks prior to the date of the public meeting . . . “ (Article V, Section 5.B) In addition, the meeting is announced in the District Bulletin (the CVCBD newsletter) sent to all property owners (approximately 4,000), and in the Charles Villager newspaper distributed throughout the greater Charles Village area, and in flyers distributed by staff door-to-door and at neighborhood meetings. The cost to the CVCBD of publications for this extraordinary notification process is $4,000 - $5,000 annually.

Preparation for this meeting takes about two months. The procedures for conducting the meeting are discussed in detail in Document L: Quad Elections Procedures. Although staff assists and supports the Governance Committee in preparing for and conducting the meeting, the Quad Elections are primarily a Board function. To assist them, the committee selects a number of volunteers (usually 3 or 4)
Chapter 8: Stewardship – The Governance Committee

from the community to serve as “voter registrars” and to count ballots. This group and staff generally meet the week prior to the Quad Elections to make assignments and review procedures.

After the election, the Executive Director posts the results on the website, Facebook and Twitter, and keeps all election materials (verification of newspaper announcements, completed ballots, etc.) on file in the CVCBD office.

Revision of the Bylaws

Article X of the Bylaws provides that the Board may amend the Bylaws provided that the following conditions are met:

- Written notice of the exact text of the amendment is sent to all directors at least thirty days before the meeting at which the amendment is to be considered;
- The notice contains the date, time and place of the meeting at which the amendment is to be considered;
- The amendment is adopted by a majority plus 1 of the voting Board members present; and
- The amendment is approved by the Board of Estimates.

The Governance Committee is responsible for continuously reviewing the Bylaws, determining if amendments are needed, and following the above procedure to recommend approval of amendments.

Although not mentioned as a requirement, the Governance Committee always seeks the advice of legal counsel with respect to proposed changes in the Bylaws. As appropriate, legal counsel will review the proposed changes, meet with the Board or Governance Committee to discuss them, and also confer with the City’s legal counsel. Any subsequent changes may be put before the Board again before submitting them to the City Board of Estimates for final review and approval.

As mentioned earlier, the Board’s most comprehensive changes in the Bylaws were presented to and approved by the City Board of Estimates in June 2011.

Vacancies on the Board

From time to time, a vacancy may be created on the Board. When this happens, the Governance Committee is responsible for ensuring that the vacancy is filled in a timely manner and according to the correct procedures depending on the nature of the vacancy. A vacancy is created when

- a Board member or member-elect withdraws, resigns, dies
- a Board member is removed
- a Board member leaves the Board before the end of his or her term, or
- a Board member-elect declines to accept appointment or election to the Board or
- a Board member-elect is found to be disqualified from taking a seat on the Board to which he or she has been appointed or elected
Chapter 8: Stewardship – The Governance Committee

Article IV, Section 4 of the Bylaws provides that vacancies shall be filled by a majority of the Board voting members then sitting on the Board, whether or not sufficient to constitute a quorum. And further that vacancies in Board seats allocated to elected officials, neighborhood associations and business organizations shall be filled by such officials, associations, or organizations. In the event an association identified in Article IV subsection 2.A.2, or an organization identified in Article IV subsection 2.A.3 does not fill a vacancy in a seat allocated to it within 45 days from the date of the creation of the vacancy, that vacancy may be filled by a majority of the voting Board members then sitting on the Board, whether or not sufficient to constitute a quorum, in accordance with the provisions of Article IV subsection 2.A.2 or 2.A.3.

Removal of a Board Member

A new section in the Bylaws approved by the Board of Estimates in June 2011 is the provision for the removal of a Board member. Article IV, Section 8 provides that a Board member may be removed

- with cause by a vote of 11 of the voting Board members or
- without cause by a vote of two-thirds (2/3) of the voting Board members

Further it provides that

- such Board member and the association, organization or officials, if any, that appointed the Board member, shall be given no less than ten days’ notice of the meeting at which his or her removal is to be considered, and shall have the right to appear and speak on his or her behalf.

In the event that this issue arises, the Governance Committee has the responsibility of taking the lead to ensure that the Board acts in accordance with the above procedure.
### Exhibit 8A: Routine Agenda Items for Governance Committee Meetings

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<td>Identify candidates (if necessary)</td>
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</table>
Exhibit 8B: Minutes for a Governance Committee Meeting (sample)

Governance Committee
Minutes for the December 16, 2010

Minutes from meeting:

- Meeting opened at 18:51 and closed at 19:52.
- Bylaws, officers, committees and oath of office were discussed.
- There are no updates from the city on the by-laws.
- The committee made a recommendation to the board for the officers for 2011.
- Program committee structure was discussed, no recommended changes at this time.

The committee is recommending to the board the following slate for the executive committee in 2011:

President: Jeffrey Millard
Vice President: Derek Demaree
Secretary: Jennifer Erickson
Treasurer: Thayn Moyes
Member-At-Large: Jason Pyeron

The committee is recommending use of the following chart to indicate member preferences for committee assignments:

<table>
<thead>
<tr>
<th>Program</th>
<th>Finance</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthony, Jim</td>
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<tr>
<td>Burdick, Jennifer</td>
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<tr>
<td>Clarke, Mary Pat</td>
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<tr>
<td>Conaway, Belinda</td>
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<tr>
<td>Cooke, Robert</td>
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<tr>
<td>Cosgrove, Stephanie</td>
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<tr>
<td>Demaree, Derek</td>
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<tr>
<td>Erickson, Jennifer</td>
<td></td>
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<tr>
<td>Jones, Kirsch</td>
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<td>Letteron, Gary</td>
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<td>Millard, Jeffrey</td>
<td></td>
<td></td>
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<tr>
<td>Moyes, Thayn</td>
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<tr>
<td>Orr, Jay</td>
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<tr>
<td>Payne, Tamara</td>
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<tr>
<td>Pyeron, Jason</td>
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<tr>
<td>Sanchez, Delora</td>
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<tr>
<td>Volcheck, Emil</td>
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</tbody>
</table>
# Chapter 8: Stewardship – The Governance Committee

## Exhibit 8C: Board Member Credentials Sheet for 2011

### Voting Board Members

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Method of Appointment</th>
<th>Date 1st Joined Board</th>
<th>District Property Owner or Agent</th>
<th>Reg. Voter</th>
<th>Board Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thayn Moyes</td>
<td>Elected, Quad 3 Representative</td>
<td>January 2011</td>
<td>Owner</td>
<td>Yes</td>
<td>Treasurer &amp; Member, Governance Committee</td>
</tr>
<tr>
<td>Jeffrey Millard</td>
<td>Appointed, Letter from President, Charles Village Civic Assoc.</td>
<td>May 2006</td>
<td>Owner</td>
<td>Yes</td>
<td>President &amp; Member, Finance and Governance Committees</td>
</tr>
<tr>
<td>Derek Demaree</td>
<td>Appointed, Letter from Old Goucher Community Association</td>
<td>January 2007</td>
<td>Owner</td>
<td>Yes</td>
<td>Vice President &amp; Member, Finance Committee</td>
</tr>
<tr>
<td>Jason Pyeron</td>
<td>Appointed, Letter from President, Old Goucher Community Association</td>
<td>January 2008</td>
<td>Owner</td>
<td>Yes</td>
<td>At-Large Executive Committee &amp; Member, Governance and Finance Committees</td>
</tr>
<tr>
<td>Jennifer Erickson</td>
<td>President, Charles Village Civic Assoc.</td>
<td>October 2009</td>
<td>Owner</td>
<td>Yes</td>
<td>Secretary &amp; Member, Finance and Governance Committees</td>
</tr>
<tr>
<td>Emil Volcheck</td>
<td>Appointed, President, Abell Improvement Assoc.</td>
<td>January 2011</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Governance Committee</td>
</tr>
<tr>
<td>Jim Anthony</td>
<td>Appointed, Letter from President AIA</td>
<td>January 2011</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Program Committee</td>
</tr>
<tr>
<td>Jay Orr</td>
<td>Elected, Quad 2 Representative</td>
<td>June 2007</td>
<td>Owner</td>
<td>Yes</td>
<td>Member</td>
</tr>
<tr>
<td>Gary Letteron</td>
<td>Appointed, Letter from President of Harwood Community Assoc.</td>
<td>January 2006</td>
<td>Owner</td>
<td>Yes</td>
<td>Member</td>
</tr>
<tr>
<td>Tamara Payne</td>
<td>Appointed, Letter from President of Harwood Community Assoc.</td>
<td>February 2010</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Program Committee</td>
</tr>
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</table>
## Chapter 8: Stewardship – The Governance Committee

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Method of Appointment</th>
<th>Date 1st Joined Board</th>
<th>District Property Owner or Agent</th>
<th>Reg. Voter</th>
<th>Board Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Cosgrove</td>
<td>Elected, Quad #1</td>
<td>January 2011</td>
<td>Renter</td>
<td>Yes</td>
<td>Member, Program Committee</td>
</tr>
<tr>
<td>Jennifer Burdick</td>
<td>Appointed, Letter from President</td>
<td>September 2009</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Governance Committee</td>
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<tr>
<td>North Charles Business Assoc.</td>
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<tr>
<td>Robert Cooke</td>
<td>Appointed, Mayor’s Representative</td>
<td>January 2010</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Program Committee</td>
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<tr>
<td>Kirsch Jones</td>
<td>Elected, Quad #4</td>
<td>January 2008</td>
<td>Owner</td>
<td>Yes</td>
<td>Member, Program Committee</td>
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</tbody>
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### Non-voting Board Members

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Method of Appointment</th>
<th>Date 1st Joined Board</th>
<th>Board Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Pat Clarke, Councilwoman</td>
<td>Appointed by Baltimore City Council President</td>
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<td>Non-voting Member</td>
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<tr>
<td>Belinda Conaway, Councilwoman</td>
<td>Appointed by Baltimore City Council President</td>
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<td>Non-voting Member</td>
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<tr>
<td>Vanessa Francis, Nonprofit Representative</td>
<td>Appointed by the Johns Hopkins University</td>
<td>April 2011</td>
<td>Non-voting Member</td>
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<tr>
<td>Karen Reese, Nonprofit Representative</td>
<td>Appointed by Man Alive Inc</td>
<td>May 2010</td>
<td>Non-Voting Member</td>
</tr>
<tr>
<td>Rebecca LaFleur, Affiliated Organization</td>
<td>Appointed by Charles Village Business Assoc.</td>
<td>May 2010</td>
<td>Non-Voting Member</td>
</tr>
</tbody>
</table>
Exhibit 8D: Map of Quad Boundaries
Appendices

Documents

Document A: Baltimore City Code Article 14, Subtitle 6
Document B: Bylaws
Document C: Committees and Descriptions
Document D: Conflict of Interest Policy
Document E: Open Meetings Act
Document F: Robert’s Rules of Order (Summaries)
Document G: Example of an annual CVCBD Audit
Document H: Executive Director Performance Evaluation
Document I: Example of a CVCBD “Baseline Agreement with the Community”
Document J: “Rat Abatement” Contract
Document K: Fall Leaf Removal Contract
Document L: Quad Elections Procedures

VOLUME II: SECONDARY DOCUMENTS (kept in conference room library)

Secondary Document B: Lease on 2434 St Paul Street
Secondary Document C: Director’s and Officers’ Insurance
Secondary Document D: Liability Insurance
Secondary Document E: Property Insurance
Secondary Document F: Automobile Insurance
Secondary Document G: Workers’ compensation Insurance