Downtown Improvement District

Board Meeting

Special Meeting – MINUTES

Tuesday, May 26, 2026

Fuzio's Universal Bistro – 1020 10th Street, Modesto, CA

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1. **Call to Order**

   Board Chair Amanda Heitlinger called the Special Meeting to order at 3:08 p.m.

2. **Roll Call / Establishment of Quorum**

   Board Members Present:

   Amanda Heitlinger (Board Chair), Maria Apodaca, Sarah Aaronson, Michelle Patino, Thomas Guerrero

   Board Members Absent:

   Edward Rubalcaba, Julie Betts-Albert

   City Staff Present:

   Jessica Hill, Eric Bonander

   DID Staff Present:

   Sandra Hilton-Kaepp

   Quorum: A quorum of the Board was established.

3. **Public Comment**

   There were no public comments.

4. **Discussion Items**

   Chair Heitlinger opened by stating that no voting would take place at this meeting. The purpose of this Special Meeting was to discuss the decisions that the DID Board will need to make at the next Joint Board Meeting with the Downtown Modesto Partnership (DMP) on June 10, 2026, and to determine how the DID Board, as a whole, would like to move forward in its relationship with DMP.

   a. **Review of Final Work Group Presentations** *(presented May 13, 2026)*

      The Board briefly recapped the prior work group presentations. There were no questions from the Board regarding the presentations.

   b. **Discussion in Preparation for June 10, 2026 Joint Board Meeting**

      The Board discussed the following items, which will be brought forward for vote at the June 10, 2026 Joint Board Meeting with DMP. The question for the joint meeting is whether to continue moving forward with the joint MOUs currently in place:

   1. Sub-leased office space from DMP.
   2. MOU with DMP to cover a percentage of the Clean and Safe Team costs. Areas covered outside the DMP boundary are reimbursed monthly to DMP.
   3. 70/30 cost split for one (1) personnel position – Sandra Hilton-Kaepp.

A brief history of each of the above agreements was provided to the Board, explaining the original rationale for how each was set up.

The Board expressed confusion regarding the structure of Sandra Hilton-Kaepp's payroll arrangement, which was established at the time of her hire on August 25, 2024, when Heidi transitioned to the role of DMP CEO and Sandra was hired for DID. It was also noted that Sandra was not hired with the title of Executive Director, despite having carried out the duties of that role since her hire date. The reason for both decisions was unknown to the Board.

Board Consensus (Direction for the June 10 Joint Meeting):

- The Board was in agreement to plan to move forward with the sub-lease agreement for office space.
- The Board was in agreement to plan to move forward with the Clean and Safe Team cost-sharing agreement.
- The Board was in agreement that it will plan to vote to discontinue the joint employment arrangement for Sandra Hilton-Kaepp.
- The Board plans to draw up an offer letter to make Sandra Hilton-Kaepp a 100% DID employee, with payroll processed through DID's contracted bookkeeper rather than as a leased employee through DMP payroll. This action will also be brought forward for vote at the June 10, 2026 Joint Board Meeting.

c. **Review of Current Priorities**

Discussed in conjunction with the items above as they pertain to DID's priorities heading into the June 10, 2026 Joint Board Meeting.

d. **Overview of DMP/DID Collaboration**

The Board discussed the overall structure of DMP and DID collaboration. All members were in agreement that the DID Board would like to continue meeting jointly with DMP for collaboration efforts, with the following expectations going forward:

- Joint efforts should be carried out under well-defined alignments between the two organizations;
- The joint Boards need to discuss and redefine the roles of each organization (DID and DMP) to ensure clarity in responsibilities, scope, and shared work; and
- DID will also move forward separately to address DID-only agenda items.

e. **Discussion Regarding How DID Moves Forward – Strategic Direction and Next Steps**

The Board discussed strategic direction and next steps for DID. As part of this discussion, the Board expressed a desire to undertake a DID-only Strategic Plan, including the creation of a three-year action plan. The intent of such a plan would be to:

- Provide clearer guidance to the Executive Director on how DID is to move forward in the community it serves; and
- Return DID to the original design and intent of the organization.

The Board was in agreement to bring forward a plan to hold a DID-only strategic planning meeting, to be voted on at the June 10, 2026 Joint Board Meeting. The Board further reached consensus that all items discussed above will be brought forward for formal vote at that meeting.

f. **Discussion Regarding DID-Only Board Meeting Frequency**

Discussed in connection with the Board's consensus to move forward with DID-only meetings for DID-specific agenda items, in addition to continued joint meetings with DMP. Specific meeting frequency to be determined.

5. **Board / Committee Member Comment**

   None.

6. **Adjournment**

   Chair Heitlinger adjourned the Special Meeting at 4:01 p.m.

ACTION ITEMS – FOR JUNE 10, 2026 JOINT BOARD MEETING AGENDA

The following items are to be placed on the agenda for the June 10, 2026 Joint Board Meeting with DMP for discussion and formal vote:

7. **Discussion and Possible Action – Continuation of MOU for Sub-Leased Office Space from DMP.**
8. **Discussion and Possible Action – Continuation of MOU with DMP for Clean and Safe Team Cost-Sharing (with monthly reimbursement to DMP for areas outside the DMP boundary).**
9. **Discussion and Possible Action – Termination of the 70/30 Joint Employment Arrangement for the Executive Director Position (Sandra Hilton-Kaepp).**
10. **Discussion and Possible Action – Transition of Sandra Hilton-Kaepp to 100% DID Employment, with Payroll Processed Through DID's Contracted Bookkeeper; Approval of Offer Letter.**
11. **Discussion and Possible Action – Authorization to Plan and Hold a DID-Only Strategic Planning Meeting for the Development of a Three-Year Action Plan.**
12. **Discussion and Possible Action – Continuation of Joint Board Meetings with DMP for Collaborative Efforts Under Well-Defined Alignments, in Addition to Separate DID-Only Meetings for DID-Specific Agenda Items.**
13. **Discussion – Redefining the Roles of DID and DMP: Joint Discussion Between the Boards Regarding the Scope, Responsibilities, and Working Relationship of Each Organization Going Forward.**
14. **Discussion and Possible Action – Establishment of DID-Only Board Meeting Frequency.**

Minutes respectfully submitted by:

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Sandra Hilton-Kaepp, Downtown Improvement District

Minutes approved by the Board of Directors on: ____________________

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Amanda Heitlinger, Board Chair