

MINUTES OF REGULAR MEETING
JULY 16, 2018
MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the meeting to order at 6:00 p.m.

Present: Rebecca Huss
 Bob Kerr
 Bill Hanover
 Amy Brown

Absent: John Champagne
 Randy Moravec
 Cheryl Fox

Also Present: Jack Yates
 Shannan Reid

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of June 18, 2018 Regular Meeting –

President Huss asked for comments on the minutes as presented. Mr. Kerr made a motion to accept the minutes as presented, seconded by Mrs. Brown. All in favor. (4-0)

Minutes of July 9, 2018 Special Meeting –

President Huss asked for comments on the minutes as presented. Mrs. Brown requested that the list of attendees at the meeting be corrected by removing Shannan Reid and adding Mayor

Countryman. Mr. Hanover moved to approve the minutes subject to the amendments proposed by Mrs. Brown. All in favor. (4-0)

MONTHLY FINANCIAL REPORT

Report for June, 2018

Mr. Yates noted that there were few expenses for the month. Mrs. Brown asked Mr. Yates if Mr. Moravec, the Board Treasurer, made any comments on the report. Mr. Yates responded that Mr. Moravec had not sent him any comments. Motion by Mr. Kerr, seconded by Mr. Hanover to approve the June 2018 Financial Report as presented. All in favor. (4-0)

CONSIDERATION AND POSSIBLE ACTION

5. Presentation by the Historic Montgomery Business Association regarding the Antiques Festival.

Kambra Drummand, Vice-President of the HMBA, presented each Board member with a copy of the Antique Festival's financial summary. She stated that with booth rental, sponsorships and MEDC's contribution, the total gross income for the event was \$30,085.00. There was a total expenditure of \$18,717.20, leaving a net income of \$11,367.80. She said the promotion of the historic district is HMBA's primary goal, and that the annual Antiques Festival is HMBA's primary way to accomplish that goal. She added that this is not a fund-raiser, but an activity to bring people not only to the historic district but to the entire city. HMBA appreciates "the seed-money that MEDC has graciously given for the festival" and they do see "in the very near future where we don't need the support from MEDC to continue the activity." They "feel like the activity is going to eventually fund itself".

Mrs. Drummand spoke of the Sip-N-Stroll and other events being planned. The hope is that those events will eventually bring in the additional funds needed, so HMBA does not need to rely on "outsourced income" to support the Antique Festival.

Mrs. Drummand noted that next year's festival is the 20th consecutive year that the festival has been held. HMBA plans to do additional advertising for next year and advertise earlier in the year. They are also increasing their social media presence so it is stronger than what they have done in the past.

Mrs. Huss asked if HMBA is spending more money on social media or if it is more effort being put into that direction. Mrs. Drummand responded that it is more effort combined with a stronger group of people who know what they are doing in that area.

Mrs. Drummand spoke about expansion plans for next year with the addition of 13 new tents. She said some vendors at this year's festival have already paid in full for a booth at next year's festival.

Mrs. Huss asked what HMBA would like to see the EDC do to facilitate a larger event. Mrs. Drummand said the vendors have encouraged the thought of two festivals in Montgomery. One in September and one in May. She believes the market would support having two festivals.

Motion by Mr. Kerr, seconded by Mrs. Brown to accept the HMBA report. All in favor. (4-0)

6. Consideration and possible action regarding the Chamber of Commerce and Montgomery Economic Development Corporation Agreement notice of intention to not renew the joint service contract.

Mr. Yates reported that during the EDC Workshop on July 9, 2018, part of the discussion revolved around the majority of the Board's members wanting to primarily focus future city involvement on tourism. As such, it was discussed that the current agreement with the Chamber of Commerce was not the best way to accomplish this goal. Mr. Yates continued explaining that the majority of the Board felt that it would be in the Board's best interest to end the agreement with the Chamber and hire a permanent employee to manage marketing and tourism. Mr. Yates also stated that the Board did not view ending the contract with the Chamber as a total separation from working with the Chamber. The Board expressed a desire to cooperate with the Chamber on common goals in the future.

Mr. Hanover stated he did not feel that it was in the Board's best interest to terminate the contract, saying, "I don't think that Montgomery is quite ready to have a separate economic director or tourism director. I don't think that we are there yet. I think that we are getting our money's worth out of Shannan and what she is doing."

Mr. Kerr agreed it is a big step, but that he believes that the EDC is getting away from what it intended to do. He noted the Chamber does a good job, but to succeed, the Chamber needs more business than what is available in town. He stated the EDC needs to focus on the stores here in town, but not completely cut ties with the Chamber.

Mr. Hanover pointed out that the Antique Festival focuses on the businesses in town and other events have been tried in the past. He said, "I just don't think that we are quite ready for four or five big, major events in Montgomery. In order to support a new person to come in and pay them what you are going to have to pay them to do nothing but that, you are going to have to have more events."

Mrs. Brown stated she believed the position will deal with more than just events. That it will focus on tourism as opposed to focusing on businesses, and that the EDC needs someone who can focus on bringing tourists in, advertising, hotels and building up our parks.

Mr. Hanover replied that he believes that is a Chamber of Commerce function. He indicated that when he goes on vacation, if it is a new place, that he calls the Chamber to what Bed and Breakfast are available. He said, "You don't call City Hall to check on a Bed and Breakfast, you call the Chamber of Commerce."

Mrs. Huss responded that "We're talking about a position for the amount of money that brings value to the community and pays for itself with two or three extra festivals. And, we're talking

about, again, bringing people here and helping the businesses that are here. People don't call the Chamber of Commerce or City Hall to decide where to go, they look at our online presence. They look at what we have to offer when they are on their way here or when they are at home on their phones deciding where they are going to go. We don't have it, and if we want people here, we need to get it."

Mr. Yates pointed out the position would also be about promoting business throughout the city.

Discussion was held as to when the contract would actually end if the Board decides to end the contract. Mr. Yates stated the EDC needs to give the Chamber a 90-day notice, which would be the end of September and the contract would end December 31st, 2018. If the EDC were to give the Chamber a 90-day notice after this meeting, the Chamber could choose to end the contract at the end of the 90 days.

Mr. Hanover made a motion to table a vote on ending the contract with the Chamber until the August meeting when other members of the Board may possibly be in attendance and the matter could be discuss further. The motion died for a lack of a second.

Motion by Mr. Kerr, seconded by Mrs. Brown to let the Chamber know of our intention not to renew the joint service contract. Voting aye were Mr. Kerr, Mrs. Huss and Mrs. Brown. Voting no was Mr. Hanover. The motion passed. (3-1)

7. Discussion regarding the first draft of the budget emanating from the MEDC Workshop of July 9, 2018 and possible action regarding the calling of a second workshop to further refine the details of the budget.

Mrs. Huss asked Mr. Yates if he has received anything from Mr. Moravec on this item. Mr. Yates replied that he had not, but would like time to check his email again.

Mrs. Huss suggested the Board move on to the next item in order to give Mr. Yates the time that he needs to check his email, then returning to this item. The Board agreed to continue on to the next item and circle back to this item.

8. Consideration of amendments to the MEDC bylaws.

Mrs. Huss informed the audience this subject was brought up at the EDC Workshop on July 9, 2018, "in response to a desire to change the date of the annual meeting of the Board of Directors."

According to the bylaws, the annual meeting is scheduled in September. At the annual meeting, the Board votes on Officers for the Board of Directors.

Mrs. Huss believes that the annual meeting should take place in January, which is immediately after Council appoints the new board members or affirms the appointment of board members whose terms expire in December. Mrs. Huss explained this would eliminate any possibility of a

board member being elected to an office and, if he/she were not given another term by the City Council, having to hold another election in order to fill the vacancy of an officer.

Mrs. Huss asked if any of the Board members had any comment.

Discussion was held as to the possibility of changing section 3.02 to require "no more than two members may live outside of the city limits" instead of the current requirement that a "majority" live inside the city limits. The Board decided it was too insignificant of a change at this time to move forward with that item.

Mrs. Huss asked Mr. Yates to contact the city attorney concerning 5.03 to see if there should be an update that concerning conflict of interest in order to keep up current regarding Texas statutes. She addressed the fact that last year and the year before, the previous President had his brother-in-law receiving contracts from MEDC without reporting them. Any conflict of interest should be reported not only substantial interests.

Mrs. Huss reminded the Board that any changes to the bylaws must go to Council for approval, and presumably to the City Attorney for vetting before going to Council, and then they will come back to the EDC for a vote.

The Board agreed to request approval from City Council for the change of date of the annual meeting (3.04) and any changes suggested by Mr. Yates and/or the City Attorney concerning conflict of interests (5.03).

Mrs. Huss pointed out the additional responsibilities Mr. Yates has taken on concerning the EDC, especially the duties assigned to the Secretary. She requested Mr. Hanover, the Board Secretary, begin taking over the duty of providing the minutes of the meetings. She noted that the meetings have previously not been recorded and having a recording of each meeting will give the Board more accountability. Mrs. Huss also requested adding a 'To-Do List' at the end of the minutes to remind the Board of items that are not completed at the current meeting.

No other action was taken.

9. Consideration of amendments to MEDC Mission and Goals

This item was also previously discussed at the July 9, 2018 MEDC Workshop. Mrs. Huss asked if any Board members had any suggestions or comments. There were no suggestions or comments. Mrs. Huss that after reading the current Mission Statement and Goals, she felt they needed to be simplified and more goal oriented. She offered two options.

Option One: The mission of the MEDC is to use its resources to promote the high quality of life in Montgomery while Planning for a sustainable and vibrant future economy.

Option Two: Our mission is to promote and advance opportunities that strengthen the local economy, promote job creation, and enhance the city's quality of life while preserving Montgomery's rich history.

The Board unanimously preferred Option Two to replace the current Mission Statement.

Mrs. Huss asked the Board to review the current goals and suggest one, three and five-year goals with action items in order to help budget and have measurables for the Board to rank its success or failure. She requested each member send their suggested goals to Mr. Yates, and for Mr. Yates to forward those emails to either Mrs. Brown or Mrs. Huss to combine and return to Mr. Yates so they may be include in the August Agenda Packet.

No action was taken on this item. Council will need to approve the Mission Statement and any possible Goals before voting by the MEDC.

RETURN TO ITEM #7: Discussion regarding the first draft of the budget emanating from the MEDC Workshop of July 9, 2018 and possible action regarding the calling of a second workshop to further refine the details of the budget.

Mrs. Huss made known that during the Workshop on July 9, 2018, the Board did not discuss actual dollar amounts for each line item, but instead focused on the goals of MEDC. Mr. Yates explained that the proposed budget was achieved by combining the previous budget and the discussion at the Workshop.

Mrs. Huss asked Mr. Yates when the transfer to debt service for the sewer treatment plant would be concluded. Mr. Yates informed the Board that the transfer to debt service was not just for the sewer treatment plant but also other projects. Those payments will not be concluded for ten to fifteen years.

Mrs. Huss asked Mr. Yates if the Economic Development Grant Program was for the façade grants for downtown. Mr. Yates agreed the Economic Development Grant Program would pertain to the facades as apposed to the Downtown Enhancement projects. Mrs. Huss asked for an explanation of the difference between those two items and the Downtown Development Improvements Program. Mr. Yates explained that Downtown Development Improvements are for physical capital such as parking lots, where as Downtown Enhancement Project is intended to be the funding for the study that the Council is working on to create a master plan for the downtown historic district. The Economic Development Grant Program is for businesses looking for financial help on their building projects.

Discussion was held on individual line items and the required funding for each item.

Mrs. Huss inquired about the budget amount for the Downtown Signs. She asked if the line item was only to be used for the maintenance of the electronic sign on the corner of 105/149. Mr. Yates said that the City pays for the electronic sign and no funds were paid from that line item in the previous budget. Mrs. Brown suggested that some figure remain under that line item for possible parking lot signs or other directional signs as may be needed. Mr. Yates added he would like to put an additional \$4,000 to \$5,000 to the line item for more signage downtown.

Mrs. Huss suggested MEDC wait for Council's master plan for the downtown area before anything is purchased.

Mr. Yates explained he had grouped all of the festivals together after the discussion of doing so at the Workshop. Mrs. Huss asked Mr. Yates how MEDC would fund an event created by the new tourism employee and sponsored by MEDC. Mr. Yates responded that the amount in the Brochures/Printed Literature line item was increased to cover some of the upfront costs associated with such an event. He also suggested the line item be renamed to include the word "Promotions".

Mr. Yates stated the \$3,000 under the line item Website is intended to be used as a contribution towards the City's new website.

Mrs. Brown asked Mr. Yates if there were required percentages of the budget that must be used in each category. Mr. Yates said the only requirement is that no more than 10% may be used under the category Marketing and Tourism.

With no other discussion, and with the Board's acceptance, Mrs. Huss asked Mr. Yates to send the proposed budget to City Council for approval.

No further action was taken on this item at this time.

10. Presentation of Draft Quarterly Report – Shannan Reid

Mrs. Reid presented the Quarterly Report which is to be sent to City Council at the end of June. She reported that it was a "light month" and there was "No MEDC investments to speak of during this quarter."

Board members did not have any questions or any comments.

11. Economic Development report – Shannan Reid, Jack Yates

Engineer Report – Mr. Yates gave a summary of the report written by Jones and Carter which was included in the Agenda Packet. Mrs. Huss asked if the Board was okay with the decision to stop the expense of having Jones and Carter writing a separate report for MEDC and instead use the report that Jones and Carter send to City Council. The Board members agreed that it was the right decision.

Distrx Launch – Mrs. Reid informed the Board that the Distrx history beacons have been installed. She explained the Launch has been delayed because printed marketing materials should be available at the launch and there should be a companion URL on the materials. She advised that if the EDC has any anticipation of changing the URL, then the printing should be postponed.

Mrs. Huss asked who chose the businesses that are currently on the app. Mrs. Reid said the Distrx company entered those businesses as an example and found the companies listed by doing a Google search. The current businesses are "static listings" and the businesses do not have the power to edit them since they do not have a purchased beacon.

Mrs. Huss asked about location pins being in the wrong location and if they can be edited. Mrs. Reid explained she put a stop to any edits at this point, and when the EDC is ready to fix details, then the pins can be moved. Mrs. Huss pointed out this problem was identified several weeks ago when the tour beacons were installed and still has not been corrected. Mrs. Reid agreed.

Mrs. Huss noted there is "definitely a quality control problem" and the Distrx app is "another tourist product that is definitely not going to give our tourists a good impression."

Mrs. Reid agreed, but added, "The skeletal framework is in place so that we can continue to build on it. Yes, it did get derailed, and so we need to get it back on track."

Mrs. Huss asked what Mrs. Reid was doing to get the app launched. Mrs. Reid repeated the marketing materials should include a corresponding URL and that the original idea was a plan which "had Experience Montgomery URL at the heart of it."

Mr. Kerr asked Mrs. Reid what third-party handles the Distrx app. Mrs. Reid said Distrx is the company that created and managed the app. Mr. Kerr stated he understood another party was going to manage the app for the EDC.

Mrs. Reid explained "We were pulling in Home Focus Magazine/Home Focus Publications. Barbie was going to work primarily on this project" but the fact that "it didn't work out is unfortunate." She added the EDC could go ahead and do this app, but "to have people circle back and have a full experience", the project should be postponed until the EDC finalizes a website plan in case of a URL change.

Mrs. Reid was questioned twice as to who owns the URL Experience Montgomery. She repeatedly stated that the Chamber paid for it until 2019, and moving it over to the EDC has been put on hold.

Development Status Report – Mr. Yates said there were only a few additions this month and primarily about the downtown/149 project. Council has directed TxDot to move forward with the turn lanes on 149 as it approaches 105 on the north side and south side. Council also asked TxDot to proceed with the project north of Clepper.

Mrs. Brown asked if TxDot has responded on how much life is left on the current 149 road surface. Mrs. Huss stated the City Engineer advised her it would need to be replaced sometime in the next two years.

Mr. Yates also reported that the Memory Park video is now available on the Memory Park website and is available to the city, but it is not on the city website yet.

Mr. Yates informed the Board there is a building on Martin Luther King which the property owner wishes to be torn down. It is a mobile home with a collapsed roof.

BOARD INQUIRY

Mrs. Huss reminded the Board to bring their one, three, and five-year action items, which were previously requested, to the August meeting.

Mrs. Huss also reminded the Board Secretary to take minutes in the future.

Mrs. Huss asked for volunteers to work together to create a draft of responsibilities, qualifications and first year goals, for the new marketing and tourism employee. Mrs. Brown volunteered. Mrs. Huss asked Mrs. Brown to inquire if Mr. Champagne would be interested in also working on this project. Mrs. Brown stated that she would contact him.

Mrs. Huss asked for volunteers for a committee to create suggestions for criteria to be used when determining funding for festivals, both internal (city organized) festivals and external (non-city organized) festivals. Mrs. Huss said she has a particular interest in the project and asked Mr. Kerr if he would be willing to join her and any other stake holders in the audience.

Mrs. Huss requested backup information on all photos, logos, materials either created for or paid for by the City of Montgomery and MEDC, including Retail Coach information and presentations. She noted that when the website is discussed in August, those items will be valuable in populating the website. Mrs. Huss directed Mrs. Reid to gather the data before the August meeting.

ADJOURNMENT

Motion by Mr. Kerr, seconded by Mrs. Brown to adjourn the meeting. All in favor. (4-0)

Submitted by: _____

Amy Brown, Recording Secretary



8-20-2018
APPROVED