

MINUTES OF REGULAR MEETING

September 17, 2018

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss - President
 Bob Kerr – Vice President
 Randy Moravec - Treasurer
 Amy Brown - Secretary
 Cheryl Fox– Board Member
 Bill Hanover – Board Member

Absent: John Champagne – Board Member

Also Present: Jack Yates – City Administrator
 Shannan Reid – EDC Director

OPEN PUBLIC COMMENT

Marisa Zamarripa, the owner of Phil's Roadhouse in Montgomery, stated she was previously unaware that the city has an existing website. She had been informed that the city currently has a website and intends to create a new website. It was unclear if Ms. Zamarripa was referring to the MontgomeryTexas.gov website or the ExperienceMontgomery.com website.

Ms. Zamarripa said she spoke with the mayor the previous Friday concerning the updated website and the benefits of creating a new website. Ms. Zamarripa suggested the current website be updated instead of spending money on something which already exists. She was concerned City Council was unaware of the intent to pay for a new website.

Ms. Zamarripa also expressed concern relating to a new employee being hired to assist Mr. Yates in addition to a new employee being hired for Public Relations. She suggested utilizing the City Secretary to assist Mr. Yates instead of hiring an additional employee. Ms. Zamarripa also suggested soliciting the help of local business owners and “a group of old men that sit at Whataburger” to counter the need to hire the Public Relations employee.

Shannan Reid, from the Montgomery Area Chamber of Commerce, shared the Wine and Music Festival report with the Board.

Ms. Reid handed each member a spreadsheet containing the breakdown of income and expenses for the 2018 festival.

Ms. Reid stated that she was unable to give an exact number of visitors to the festival, but believed that attendance increased from the previous year. She reminded the Board that this was the thirteenth annual Wine and Music Festival and thanked the Board for supporting the event. She also stated that the MACC was prepared to not depend on EDC funds in the future.

Barbie Jorge spoke on the ExperienceMontgomery.com website.

Ms. Jorge expressed concern for what she considers “false information floating around.” She stated the ExperienceMontgomery.com website did not cost \$15,000 but instead cost \$5,000. She mentioned that MEDC owns the domain and Home Focus has provided MEDC with three years of free hosting. Ms. Jorge believed that paying for a new website to be an irresponsible decision.

APPROVAL OF MINUTES

Minutes of August 20, 2018 Regular Meeting –

President Huss asked for comments on the minutes as presented.

Mrs. Brown stated she found a couple of mistakes she needs to correct. The first correction would be The Action Items from August Meeting should be Action Items from July Meeting. The second correction is changing Mr. Fox to Mrs. Fox under the Adjournment section.

Mr. Moravec stated he found the minutes very thorough. He requested the spelling of his name in Item #8 be corrected not to include the letter K.

Mrs. Fox made a motion to accept the minutes as presented pending the changes as discussed, seconded by Mr. Moravec. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for August, 2018

Mr. Moravec stated he requested the City Bookkeeper balance out the Balance Sheet Accounts before the end of September which is the end of the Fiscal Year, and send him the information. He also commented on the Board's decision to not require a Budget Amendment. Mr. Moravec pointed out the Board has an unusual increase in Miscellaneous Expenses, which the Year To Date Total is \$9,906 (General Category 5). "That line item has two expenditures that have to do with special events. One was \$2,500 related to the Haunted House and the other one is \$5,000 for the Homecoming Event." He believes the \$7,500 artificially inflates the Administration category which may cause a problem if anyone ever wishes to utilize historic data. Mr. Moravec reminded the Board he suggested Mr. Yates create a Miscellaneous Special Events category. Mr. Moravec advised the issue be brought before the Auditors for recategorization.

Mrs. Brown asked Mr. Yates for an explanation of two expenses on the Cash Flow Report. Mrs. Reid explained that one expense was for annual advertising with The Woodlands Chamber of Commerce's relocation guide. This advertising campaign has concluded and this expense was the final payment. Mrs. Reid stated she would bring a copy of the guide to share with the Board once it is published.

Mr. Moravec noted that this expense was also placed in the Miscellaneous category in the budget and should be moved to Advertising and Promotion.

Mrs. Reid also explained the second expense raised by Mrs. Brown to be a monthly advertising campaign with Houston Press which also has ended. The campaign ended in June but there was lag in the billing from Houston Press. This advertising focused inside the Beltway of Houston promoting events in Montgomery.

Motion by Mr. Hanover, seconded by Mrs. Brown to approve the August 2018 Financial Report as presented. All in favor. (6-0)

PUBLIC HEARING

Budget Public Hearing regarding the proposed 2018-2019 Montgomery Economic Development Corporation FY Operating Budget.

The public hearing began at 6:44 p.m.

Mr. Yates noted that sales tax is the primary revenue for the EDC. The estimated sales tax projection for 2018-2019 is \$543,198.

Mr. Moravec questioned the specificity of the figure. He stated that his estimation is closer to \$575,000.

Mrs. Huss suggested the number be changed to \$570,000 in order to budget conservatively. Mr. Moravec agreed. The Board agreed by general consensus to change the number to \$575,000.

Mr. Moravec also questioned whether the Interest Income should be rounded up or down instead of being so specific. The Board agreed by general consensus to round up to \$3,200.

Mr. Yates discussed and explained the different expense line items in the budget.

Mrs. Huss asked for any comments from the public concerning the 2018-2019 proposed budget.

Shawna Reilly, a downtown business owner, asked for clarification on what the \$80,000 budgeted for the new employee would cover. She questioned if it was solely for salary.

Mrs. Huss explained total sum also covers benefits and office expenses.

Shawna Reilly commented that HMBA and the EDC are talking about adding festivals, however she had not been informed of the decisions or a part of the discussions and would like to be informed before any plans are approved.

Mrs. Huss explained that during this meeting, those topics will be discussed.

Mrs. Brown asked Mr. Yates if he had contacted the appropriate person concerning moving line items into different categories as discussed in the previous meeting. Mr. Yates responded that he had called the state director concerning that issue.

The Public hearing was concluded at 7:02 p.m. and the regular meeting was resumed.

CONSIDERATION AND POSSIBLE ACTION

6. Consideration and possible action to adopt 2018-2019 MEDC FY Operating Budget.

Mr. Moravec reviewed the changes presented during the Public Hearing and updated the totals for income and expenses.

Mrs. Huss suggested that the Utility Extension line item be adjusted so that the total income equals the total expenditures for a net zero balance. The Board agreed by general consensus.

Mr. Moravec reminded the Board that the budget can always be amended if circumstances change.

Motion by Mr. Moravec, seconded by Mr. Kerr to accept the 2018-2019 MEDC FY Operating Budget. All in favor. (6-0)

7. Consideration and possible action to adopt External Festival Guidelines.

Mrs. Huss reminded the Board this item was discussed at the previous meeting but it was not an action item on the agenda at that time.

Mr. Yates read the suggested guidelines for the Board and the public.

Mr. Yates asked Mrs. Reid if she remembered a previous discussion he had with her concerning the wisdom of putting the MEDC logo on printed materials. He remembered discussing pros and cons of doing this.

Mrs. Reid said she believed it was an excellent idea. She remembered the discussion being the negative effect of adding the logo would be the assumption of outside sponsors that the city will be handling the funding of the event and no additional sponsorship is needed, and the positive effect being the assumption of outside sponsors that the city is supporting the event and encourages others to support.

Mr. Yates stated he believed the pros outweighed the cons on this topic.

Motion by Mrs. Brown, seconded by Mr. Kerr to adopt the proposed External Festival Guidelines. All in favor. (6-0)

8. Consideration and possible action to adopt 1, 3, 5-Year Goals

This item was also a discussion held during the August meeting.

Mrs. Huss reminded the Board it requested the goals be separated into groups to make it easier for the Board to discuss the goals.

Mrs. Huss read the new Mission Statement for Mr. Moravec who was not present at the July meeting, and explained the new goals were a way to have concrete, measurable items instead of general objectives.

The Board reviewed the proposed goals starting with the one-year goals.

Mr. Moravec asked for clarity on if the 2-3 new festival/events meant 2-3 additional festivals or a total of 2-3 festivals.

Mrs. Huss explained the intention is to add 2-3 more festivals to the current festival schedule.

Mr. Moravec expressed his concerns about the goal concerning tax abatement and noted the budget may need to be amended to include legal fees for research and planning such a strategy. He stated his concern as to the huge undertaking such a plan would involve, but felt reassured that the goal was only to consider the option.

There was no disagreement with the goals for year one and the way they were described.

Mrs. Fox suggested making sure the longevity of the city is an important part of the marketing component, specifically by adding the date to the Texas Flag promotions.

Mr. Moravec suggested the sales tax increasing 5-10% each year is highly unlikely because much of the growth will be impacted by the regional and national economy. Missing such a goal should not reflect on the Marketing/Tourism employee's job performance. Mr. Moravec said he would look into what would be a more realistic goal.

There was no other disagreement with the goals for year three and they way they were described.

Mr. Moravec noted the importance of maintaining and enhancing city parks.

Mrs. Huss suggested the changes be made to the suggested goals and revisited at a future date.

Motion to table by Mrs. Fox, seconded by Mrs. Brown. All in favor. (6-0)

9. Consideration and possible action to adopt Internal Festival Guidelines.

Mrs. Huss read the suggested Internal Festival Guidelines and explained the difference between internal festivals and external festivals. Internal festivals being those festivals created and managed by the Marketing/Tourism employee, and external festivals being those festivals created and managed by outside groups such as HMBA or MACC.

Motion by Mrs. Fox, seconded by Mr. Kerr to adopt the proposed Internal Festival Guidelines. All in favor. (6-0)

10. Consideration and possible action regarding Home Focus billing statements.

Mr. Yates explained MEDC has received three bills from Home Focus.

One bill is for \$600.89. This bill is for unknown administrative emails, Distrx launch planning, and late fees. The second bill, for \$679.25, is for pole banners, art work and late fees. Mr. Yates believed that this also applied to the Distrx launch. The third bill, for \$1,769.25, is for website edits and late fees. Copies of the bills were provided to the Board.

Mr. Yates said the reason the bills have not been paid is due to the review of the website billings. He suggested the EDC ask for more details on each of the billings.

Mr. Moravec suggested Mr. Yates meet with Home Focus and Ms. Reid to attempt to identify those things that are in dispute. He stated the EDC is not a fact-finding board. Mr. Moravec also suggested if no agreement can be reached, a mediator should be brought into the discussions. If the situation progresses to a legal issue, Mr. Moravec advised the Board will need to discuss the issue in an executive session.

Motion to table by Mrs. Huss, seconded by Mrs. Fox. All in favor. (6-0)

11. Economic Development report – Jack Yates

Engineer Report –

Mr. Yates presented the Engineer's Report stating the highlight of the report deals with the bridge contractor expecting completion by the end of October.

Distrx –

Mrs. Huss discussed the advertising for the Distrx app and showed the Board postcards and table tents which were created. Mayor Countryman had a booth at the Wine and Music Festival to provide the public with information. Mrs. Huss explained Distrx is not necessarily a tourist app, but rather a merchant app with tourist applications. The Distrx company paid for half of the expense of the promotional items. The company has been helpful in working with the merchants and the EDC. The company has free activities that can be utilized in the future for additional exposure to the app.

Development Status Report –

Mr. Yates shared the Status Report which was included in the Board's Agenda Packet. He pointed out the main area of activity involved the CVS and Spirit of Texas Bank construction being in the concrete pouring stages.

Mr. Moravec noted editorial errors in the Development Status Report and asked Mr. Yates to correct.

BOARD INQUIRY

Mrs. Brown asked Mr. Yates about the New Employee Management Action Item and the Expenditure Procedures Action Item that were carried over from the August meeting and not included in the September agenda. Mr. Yates said the items would be on the October agenda.

She also asked Mr. Yates if he presented the By-Law changes to the City Attorney. He replied that he did present them to the City Attorney and is waiting on a reply.

Mrs. Huss pointed out the calendar of proposed festivals/events which was attached to the Board's agenda.

Mr. Yates informed the Board that several applications have been received for the Marketing/Tourism position and Mr. Champagne and Mrs. Brown will be narrowing down the resumes before interviews begin.

Mr. Yates also noted that the MEDC budget will go before City Council on September 25th.

ACTION ITEMS FROM AUGUST MEETING

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>RESULT</i>
Festival Guidelines	Yates	Completed
Present By-Law Changes to Council & Attorney	Yates	No reply from Attorney
Physical Festival Calendar	Huss	Complete
Internal Festival Guidelines	Huss/Kerr	Complete
Final Job Description	Brown	Complete
Post Job Opening	Yates	Complete
Inquire on moving festivals to Cat III	Yates	Complete
1,3,5-Year Action Items	Brown	Completed

ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>
Consider and suggest a more realistic percentage of growth for sales tax revenue	Moravec	
Amend 1,3,5-year goals	Brown	
Find Mediator for Home Focus issue	Yates	
Review applications and choose three	Champagne/Brown	October
Send budget to Council for approval	Yates	
New Employee Management Action Item	Yates	October
Expenditure Procedures Action Item	Yates	October

ADJOURNMENT

Motion by Mrs. Fox, seconded by Mr. Kerr to adjourn the meeting. All in favor. (6-0)

Submitted by: _____

Amy Brown, Recording Secretary

01-02-2019



Montgomery Wine & Music Fest hosted by Montgomery Area Chamber
Saturday, September 15, 2018

INCOME

All tickets: cash, credit card, online, presale, children's area	\$	80,000
Vendor Fees	\$	10,800
Sponsorships	\$	30,700
Total Revenue	\$	<u>121,500</u>

EXPENSES

Advertising, Printing, Festival Signage, New website	\$	15,862
Entertainment: 3 stages + Sound techs at each	\$	19,250
Rentals: tents, tables, stages, scissor lift, generator, walkies, potties, shuttles	\$	15,198
Security	\$	1,280
Festival Insurance	\$	1,493
Consumables Supplies: wristbands, tickets, glasses	\$	2,244
Miscellaneous Supplies: Tent Canopies, cleaning, toilet paper, paper towels, wood shavings	\$	747
Volunteer T-shirts	\$	1,745
Cleaning Crew	\$	2,000
Wine	\$	17,954
Beer	\$	6,730
Ice	\$	866
TABC Permitting	\$	1,386
Children's Area: Bounce houses	\$	564
	\$	<u>87,319</u>
	\$	34,181