

MINUTES OF REGULAR MEETING
December 17, 2018
MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the meeting to order at 6:04 p.m.

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

Absent: None

Also Present: Jack Yates -- City Administrator
 Katrina Moore -- Director of Marketing and Tourism

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of October 29, 2018 Regular Meeting --

President Huss asked for comments on the minutes as presented. Mr. Moravec stated that he disagreed with the wording in Item #7 concerning the discussion on the purchasing authority of the City Administrator in regards to EDC funds. He requested the minutes include mention that the debate on

the matter centered around the spending threshold for the City Administrator regarding MEDC funds. Mr. Moravec requested the minutes reflect the motion made by Mr. Champagne would require the City Administrator seek Board approval of all expenditures. Mrs. Huss asked if changing the first sentence to read "spending limit" instead of simply "limit" would suffice. Mr. Moravec agreed.

Mr. Moravec made a motion to approve the minutes as presented with the change requested, seconded by Mr. Champagne. All in favor. (7-0)

MONTHLY FINANCIAL REPORT

Reports for October and November, 2018

Mr. Moravec stated there was nothing of significance related to the October report that deserved any type of review, and recommended approval.

Concerning the November report, Mr. Moravec questioned Mr. Yates about the sales tax funds in the City's General Fund account. Mr. Moravec stated that occasionally it appears that the funds are not transferred into MEDC's account for three to four months.

Mr. Yates replied that he would speak to Cathy Bronco about transferring the funds monthly.

Mrs. Huss reminded Mr. Moravec that the city does not receive all of the payments monthly, and some payments are made quarterly.

Mr. Moravec recommended approval of the November Financial Report.

Motion by Mr. Hanover, seconded by Mrs. Brown to approve the October and November 2018 Financial Reports as presented. All in favor. (7-0)

CONSIDERATION AND POSSIBLE ACTION

5. Consideration and possible action regarding Montgomery Historical Society funding for Christmas in Historic Montgomery event.

Mr. Yates explained that the Montgomery Historic Society submitted a request for \$5,000 for funding for the 2018 Christmas in Historic Montgomery event. He stated the Historic Society had included financial reports, for previous years, with the request. Mr. Yates reminded the Board that the Events category in the EDC's budget allowed \$35,000 for events, and the Board could grant more than the requested amount, less than the requested amount or deny the request.

Mr. Kerr asked if the requested amount was to fund the event for the current year. Mr. Yates said that was correct.

Mrs. Huss commented that the Board's External Festival Guidelines focused on fundraising, use of the city's logo and the number of years that the EDC should fund a specific festival or event.

Mr. Moravec asked how many years the EDC has supported the Historic Society's Christmas event.

Shirley Schneider, from the Historic Society, said that it has been about eight years.

Mr. Moravec stated that the financial reports, that the Historic Society provided, show that they have had a net income, where income exceeds expenses, prior to the EDC's contribution. He asked Mrs. Schneider if those funds carry forward to the next year's event.

Mrs. Schneider responded that the profits from the event go towards scholarships and maintenance of seven different properties owned by the Historic Society.

Mr. Moravec asked if the Historic Society was a non-profit organization. Mrs. Schneider responded that they are a non-profit organization.

Mr. Moravec asked what amount of funds the organization had on hand. Mrs. Schneider responded that she was not at liberty to say, but would be willing to provide that figure to the Board.

Mr. Moravec stated that it appears that the \$5,000 from the MEDC is not needed for the actual event, but instead it is used for other purposes. He noted that the External Festival Guidelines state that grants will not be used for fundraising events, prize money, or scholarships.

Mrs. Schneider stated there are expenses to having a festival.

Mr. Moravec agreed, but noted that according to the information the Historic Society provided the Board, their income exceeds those expenses that are directly associated with the event. He said it appeared that the Historic Society did not need the \$5,000 to actually conduct the festival.

Mrs. Schneider asked if the city wants to continue an event such as this that brings in money to the local businesses.

Mr. Moravec said he personally believed that the city wants such events, but it does not appear that the Historic Society needs the city's financial support to put on such an event.

Mr. Champagne stated that the premise is that the EDC funds are going to the actual event, when in actuality it is not.

Mrs. Fox asked Mr. Champagne if he did not believe that it costs the Historic Society \$5,000 to have Christmas in Montgomery.

Mr. Champagne replied that he did not say that. He stated that he was pointing out that the premise for this donation is to put on the event, when by all indications, it is not used for that purpose.

Mrs. Huss noted that the EDC's budget did not have a large amount of money in the Event line item, and with plans to expand the number of events, the Board needs to husband it carefully. She stated there will be new events that do not have a history with attendance, marketing and volunteers; and she was hesitant to spend so much of the budget on something that is already successful.

Mr. Moravec said this event does not appear to meet the guidelines as adopted.

Mr. Champagne asked Mr. Moravec if it would be more appropriate for the Historic Society to ask for funding for the items for which the money is actually used.

Mr. Moravec replied if the Historic Society is using the money for maintenance of buildings than that should be a separate grant request. He said he believed the EDC should not be funding scholarships that have nothing to do with economic development.

Mrs. Fox noted these External Guidelines are relatively new and unknown to the Historical Society. She believed the Historical Society had based their budget on the expectation of the funds that they have been receiving for several years. Mrs. Fox said she believed the event costs more than \$5,000.

Mr. Moravec stated the income from the event offset the expenses. He noted that according to the Historic Society's financial report, the expenses ranged between \$5,700 and \$7,800, and their income has exceeded those expenses each year.

Mr. Hanover asked Mrs. Schneider if MEDC received any recognition from the Historical Society during the Christmas in Montgomery event.

Mrs. Schneider stated that usually at the end of the tour, they put out a little press release thanking the city, the fire department and the police department.

Mr. Hanover stated he believed that this is one of the most visible events in Montgomery.

Mrs. Huss agreed and stated the Historic Society makes money doing the festival. She said the EDC is trying to promote economic development and use the resources to promote more events such as this one.

Mr. Moravec said the EDC has developed a policy and it should not make exceptions to that policy.

Mrs. Schneider said people putting on events need to know the guidelines.

Mr. Moravec asked Mrs. Schneider why the Historic Society needs the EDC funds since their income exceeds their expenses.

Mrs. Schneider said the Historic Society is maintaining their buildings and bringing business into the city, and she believed it is the city's responsibility to help them.

Mr. Moravec said the city would help if the Historic Society needed the money to conduct the event, but the information provided to the city shows that money is not needed to conduct the event. He said if the Historic Society is using the money for maintenance of buildings, that would be an appropriate request and should be made separately from the event.

Motion by Mr. Moravec, seconded by Mrs. Brown to deny the funding request for the Historic Society's Christmas In Montgomery Event. All in favor. (7-0)

6. Consideration and possible action regarding the amendment of the bylaws.

Mr. Yates explained that this has been discussed several times, but the Board has never acted upon the two recommendations. The first recommendation came from the Board and concerns item 3.04. The recommendation would change the Annual Meeting of the Board from the last month's meeting of the Corporation's fiscal year to the January meeting of each year. The second recommendation came from the City Attorney who suggested under item 3.03, that the words "as appointed by City Council" be added.

Mr. Yates reminded the Board there was also a previous discussion concerning ethics and the City Attorney would be able to provide an ethics presentation to the City Council, Planning Commission and the EDC.

Mr. Yates said if several groups attended the meeting, it would save the EDC several hundred dollars in attorney fees for the cost of the presentation.

Mr. Moravec asked if all Board members had attained the certificates for the Public Information Act and the Open Meetings Act.

Mr. Yates said that all Board members did have the certificates.

Mr. Moravec noted those certifications related to ethics.

Mrs. Huss said it did not hurt to have additional discussions about being ethical and subjects may be brought up which were not previously considered. She felt the City Attorney's presentation would be worthwhile.

Mr. Moravec did not disagree.

Mr. Yates said he would inform the Board when and where the presentation would be held.

Motion by Mr. Champagne, seconded by Mr. Kerr to approve the By-Laws by changing section 3.03 to say "A vacancy occurring on the Board of Directors shall be filled for the unexpired term as appointed by City Council"; and changing section 3.04 to say "the annual meeting of the Board of Directors shall be held in January of each year." All in favor. (7-0)

7. Consideration and possible action regarding approval of the Assignment of Economic Development Agreement between Milestone Properties, Inc., Kroger, Texas L.P., the City of Montgomery and the Montgomery Economic Development Corporation.

Mr. Yates explained this item refers to Milestone Properties, the developer of the Kroger property, and the original party in the 380 Agreement with the EDC. He said Kroger now owns the property and manages the 380 Agreement. Milestone Properties has created a document requesting reassignment of the property and sales taxes reimbursements from Milestone Properties to Kroger.

Mr. Yates said the City Attorney has stated this transfer of who is to receive the payments really does not make a difference for the city, as long as we follow the original agreement.

Mr. Yates said that Kroger and Milestone Properties have requested this new agreement and because the EDC was a signor of the 380 Agreement, it is necessary for the Board to agree if the city is to sign the document.

Mr. Moravec asked if either Milestone or Kroger made application for the first payment of the 380 Agreement.

Mr. Yates said that they do not need to make an application. The city is supposed to pay as agreed.

Mr. Moravec asked if they had provided the information needed before payments are made.

Mr. Yates said they had provided the all the information that they need to provide.

Mr. Moravec asked if this was public information to which Mr. Yates stated that it was public information.

Mr. Moravec requested a copy of the information.

Mr. Yates explained this only applies to the sales tax information and does not apply towards the grant they received.

Mr. Moravec asked if they had to make annual reports regarding the grant.

Mr. Yates said they completed all of their obligations concerning the grant and did not need to make annual reports.

Mr. Moravec asked if the grant had been paid out of the MEDC budget.

Mr. Yates said it had not been paid. Kroger and Milestone were waiting for this agreement to be signed first.

Mr. Yates said the fuel center was not part of the 380 Agreement and he was working with the sales tax person to figure how much sales tax came from the fuel center, and that amount would be subtracted from Kroger's payment.

Mr. Moravec asked if anyone on the Board had seen the application for the sales tax and property tax reimbursement.

Mrs. Huss questioned why he would ask that question.

Mr. Moravec said he asked because it is a lot of money. He also asked if the \$65,000 in the budget was for the grant or the sales tax reimbursement.

Mr. Yates said it was for the sales tax reimbursement.

Mrs. Huss said the EDC does not pay anything for the grant.

Mr. Moravec stated that, as Treasurer of the Board, he would like to look at the information to see how it is compiled.

Mr. Yates stated he has a report from the sales tax person that he can provide to Mr. Moravec.

Mr. Moravec said he would like the report before the EDC pays the sales tax reimbursement.

Motion by Mr. Moravec, seconded by Mr. Champagne to approve the Assignment of the Economic Development Agreement. All in favor. (7-0)

8. Consideration and possible action regarding Katrina Moore's Work Plan Formulation.

Ms. Moore gave the Board a brief presentation of her view for the future of Montgomery as it pertained to marketing and tourism.

The topic of the presentation was "How to Put Montgomery on the Radar." The main points covered building awareness, keeping people coming back and defining success.

She suggested enhancing the city's "curb appeal", keeping Montgomery beautiful, revitalization of Main Street in order to bring more businesses into downtown, and community investment.

Ms. Moore plans on meeting with residents, business owners, groups and organizations in order to get input from them on the direction they would like to see the city head towards. She said it was important for these groups to work together.

Ms. Moore would like to focus on the city's branding, maximizing social media presence, advertising, non-traditional marketing, increasing engagement with visitors, and utilizing Distrx.

Ms. Moore said the first sixty days will be dedicated to identifying targeted industries and businesses; target audiences of visitors; establishing goals; and meeting with local organizations, residents and business leaders.

Ms. Moore has already partnered with the Gulf Coast Workforce Board to put together an education seminar for local businesses. This seminar will be held January 9th and focus on helping small businesses find resources to help them expand.

Ms. Moore said the next three to five months, she will focus on establishing social media. She said that she has already begun addressing the Historic Montgomery Facebook page. She stated that just in the past two weeks the page has gained one hundred new followers. She is also helping the Police Department set up their own Facebook page.

Mr. Champagne said the Police Department needs to go through City Council before setting up a page.

Ms. Moore said she has already begun gathering information to create marketing materials.

Ms. Moore said her six to twelve month plan is to develop a comprehensive branding and marketing strategy to highlight signature events; look for additional financial resources for new events; and working with the Texas Forest Trail Regions to promote Montgomery.

No Action was taken on this item.

9. Consideration and possible action regarding spending plans of the MEDC budget line items.

Mr. Yates presented the Board with a description, and his proposed spending plan, for each line item in the budget. He stated this was in response to a previous conversation on the City Administrator's spending authority over MEDC funds.

Mr. Yates said this plan would show when funds would be spent and when the items would come before the Board for approval. He said his intention is to follow the Board's direction when it comes to spending any funds.

Mrs. Huss said she appreciated Mr. Yates taking the time to create the document.

Mr. Moravec asked about the possibility of having the City Engineer attend quarterly meetings with the EDC.

Mr. Yates stated that each meeting the Engineer attends costs the EDC three hundred dollars.

Mrs. Huss noted that the reports are the same ones that are given at City Council meetings. She said the EDC receives the written report without the cost, and unless the EDC is being asked to spend money on a particular project that would require input from the Engineer, she did not see the justification of the expense.

No action was taken on this item.

10. Economic Development reports – Jack Yates

Engineer Report – No discussion on the presented report.

Development Status Report –

Mr. Yates all projects in the report are in the active stages. He said the sewer projects and water projects are coming along slowly, but he expects work to begin by the end of March. He said Spirit of Texas Bank and CVS are moving along smoothly. Mr. Yates also stated that the Chick-fil-A plans are expected in March or April, with construction not beginning until June or July.

Mr. Yates said the area behind the CVS is being prepared for underground electric line. This will prevent the electrical lines from running along 105 in front of the property.

BOARD INQUIRY

Mr. Moravec stated that his term is ending, but he would love to continue serving on the EDC Board.

ACTION ITEMS FROM DECEMBER MEETING

ACTION ITEM	ASSIGNEE	RESULT
Amend October Minutes	Brown	Completed

ACTION ITEMS FOR FUTURE MEETINGS

ACTION ITEM	ASSIGNEE	DUE DATE

ADJOURNMENT

Motion by Mr. Moravec, seconded by Mr. Hanover to adjourn the meeting at 7:38 p.m. All in favor.
(7-0)

Submitted by: 

Amy Brown, MEDC Secretary

Date approved: 01-21-2019





Rebecca Huss, MEDC President

Montgomery Economic Development Corporation

The MEDC festival grant program is designed to encourage organizations to bring new festivals and events to the city or to substantially improve existing ones

External Festival Guidelines

- A new application must be submitted each year, with a maximum of 5 years of funding for the same festival
- Application information is to include: project summary, grant request, use of funds, target audience and public benefit, expected number of visitors, advertising budget and plan, required city resources, additional funding sources.
- Festivals must be free admission events.
- All marketing material for festivals must include City of Montgomery logo and grantees must distribute Montgomery brochures at their event.
- Grants will not be used for fundraising events, prize money, or scholarships.

Proposed Work Plan

- I. First 30 to 90 Days
 - a. Work with the EDC/City to identify target industries for business and target audiences for visitors and establish goals
 - b. Listening Sessions with Residents
 - c. Meetings with Local Organizations/Business Leaders
 - i. Based on my conversations with some small businesses, worked with Houston-Galveston Area Council to hold education seminar on January 9, 2019 geared toward helping small business find resources to expand their businesses.

- II. Three to Five Months
 - a. Establish social media channels and complete content for the tourism page.
 - i. Admin for the Historic Montgomery FB. Within two weeks, 100 new likes and followers.
 - ii. Working with Lt. Belmares on Montgomery PD FB page.
 - b. Develop city profile prospectus and tourism marketing collateral.

- III. 6 months to 1 Year
 - a. Develop comprehensive branding and marketing strategy to include signature events.
 - i. Lone Star Flag Fest coming March 2019
 - b. Recruit business for event sponsorship opportunities.
 - c. Look for additional funding resources.
 - d. Build regional partnerships.
 - i. Working with Texas Forest Trails Region re: promoting Montgomery, TX
 - e. Tentative meetings with Visit Conroe and Experience Bryan/College Station re: regional tourism