

MINUTES OF REGULAR MEETING

March 18, 2019

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Rebecca Huss called the meeting to order at 6:07 p.m.

Present: Rebecca Huss - President
 Bill Hanover – Vice-President
 Julie Hutchinson - Treasurer
 Amy Brown – Secretary
 Tom Cronin – Board Member
 Cheryl Fox – Board Member

Absent: Bob Kerr – Board Member

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

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of February 18, 2019 Regular Meeting –

President Huss asked for comments on the minutes as presented.

Mr. Hanover made a motion to accept the minutes as presented, seconded by Mr. Cronin. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for February, 2019

Mrs. Huss noted Mrs. Hutchinson received the financial report on Friday, March 15th when the rest of the Board received the report as part of the agenda packet. Mrs. Huss also stated Ms. Bronco has not been in the office so Mrs. Hutchinson was not able to ask questions concerning the report.

Mrs. Hutchinson explained the EDC received over \$72,000 in sales tax revenue, with the budget only expecting \$47,000, leaving the year to date almost \$30,000 over budget.

Mrs. Hutchinson also noted that a couple of transfers were made out of the checking account into an interest-bearing account. She pointed out each transfer costs \$25 and intends to ask Ms. Bronco if there is a way to transfer without incurring fees.

Mrs. Hutchinson explained the expense items included the quarterly transfer to debt payment as well as the 2018 payment to Kroger. The Walking Tour expense was for the sign at the corner of McCown and Caroline which came in under budget.

Motion by Mrs. Brown, seconded by Mrs. Fox to approve the February 2019 Financial Report as presented. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

5. Discussion and possible action regarding request of Living Savior Lutheran Church for funding of Chime Master Carillon System – Peter Hames

Mr. Hames, President of Living Savior Lutheran Church, spoke on the renovations in progress at the church. A new steeple will be added. The previous steeple was destroyed in 1918. The previous steeple contained a bell.

Mr. Hames said instead of replacing the bell, the church will install a carillon system and requests \$5,000 from the EDC to help cover expenses. He said the chimes would sound at 9am, noon, 3pm and 6pm every day also at various times for church services, weddings and funerals. He said this will add to the ambiance of the city.

Mr. Cronin asked how long the chimes would be played at each occurrence.

Mr. Hames responded the 9am, noon and 6pm chimes would be similar to a Westminster clock with nine chimes at 9am, twelve at noon and six at 6pm. During the other times, a hymn would be played lasting a couple of minutes each.

Mr. Yates noted the city has a sound ordinance with a five minute maximum.

Mr. Cronin asked if people in the neighborhood are in favor of the plan to add a carillon system.

Mr. Hames said the church has not told the neighborhood about the carillon system, but no one has complained about the renovations. He noted that the system has a volume control that can be adjusted if needed.

Mrs. Huss pointed out the Economic Development Grant program has a limited amount of funds and the HMBA billboard funds have not yet been deducted from the budget. She also was concerned as to the level of benefit for economic development this project would contribute.

Mrs. Brown stated that she would be more comfortable looking at a grant towards the cost of the historic building renovation than this type of project. She said her concern with this type of project is cities getting involved with churches. She did not feel that it was the cities place to fund church projects where it would be correct for the city to fund a historical building renovation.

Mr. Hanover said he sees this project as being part of the renovation of the church, and a downtown enhancement improvement.

Mr. Hames said the church has asked for a \$20,000 grant from the Historic Society and is waiting on an answer.

Mrs. Fox said she felt the bells would add to the city's reputation and distinction. She asked Mr. Hames if the bells could be played during special city events.

Mr. Hames said yes.

Mrs. Brown agreed it would be nice, but she cautioned the board and suggested they consider the worst case scenario of an unpopular group coming in town wanting to play their religious songs on a speaker system. She asked if the city would pay for the speaker system of that group.

Mr. Hanover said the Board is not obligated to approve a similar grant for another group.

Mrs. Brown said that would show prejudice.

Mrs. Hutchinson asked Mrs. Brown if she would feel differently if the church were putting in a bell similar to the one the church had previously.

Mrs. Brown said she probably would feel differently. She said her goal is to be consistent on approving fund applications regardless of the group requesting them.

Mr. Yates said the city attorney has told him it is very hard for a board to set a precedent.

Mr. Cronin said this would not be setting a precedent. He said, "monies that the Board controls is for, primarily, the enhancement and the betterment of the downtown historic district, and I see this falling right in line with that."

Mrs. Huss noted the budget is split more specifically, with the largest portion going towards public infrastructure, so it is not primarily for the downtown area, but some of the funds are for the enhancement of downtown.

Mrs. Hutchison said she would like to know how much is remaining in the Economic Development Grant line item before the Board commits to spending a third of the budget. She said since the next item on the agenda is for funds for the same group, she did not want to make a decision on this item until she looks at the other item also. She said she would like to look at both of the items together.

Mr. Hanover said the next item on the agenda is a totally separate item and should be considered separately.

Mrs. Hutchinson said she would not support something that is a third of the budget if the Board does not have the full \$15,000 in the budget at this time.

Mrs. Huss said the HMBA billboard project was not over \$5,000 so there is at least \$10,000 left on the line item.

Motion by Mrs. Fox, seconded by Mr. Hanover to approve the five thousand dollars for the Chime Master Carillon system for the Living Savior Lutheran Church. Voting for the motion were Mrs. Hutchinson, Mrs. Fox, Mr. Hanover and Mr. Cronin. Voting against the motion were Mrs. Brown and Mrs. Huss. Motion passes (4-2)

6. Report from Living Savior Lutheran Church regarding possible parking lot paving grant application.

Mr. Hames said the approximately one acre parking lot behind Living Savior Lutheran Church is used by the church and is used "several times a year by the Montgomery Area Chamber of Commerce for events." He said the city has approved a design for a paved parking lot. He said the lowest bid was for \$240,500. The church is asking for 50% of that figure from the MEDC, because this is a significant improvement to the downtown area. He said as the church grows, they will need the additional parking which will be provided by paving the lot.

Mr. Hames said in the past, there has never been a conflict between the church using the lot and the Montgomery Area Chamber of Commerce using the lot. He noted he put in the grant application that should a conflict occur, the church would have preference in the use of the parking lot and deny use to others.

Mrs. Fox asked if the Board was simply reviewing this item for a future date.

Mr. Hames said yes that is correct.

Mr. Yates told the Board the question today is to see if the Board is interested in participating in this project. He noted that in the case of the two parking lots downtown, which the EDC paved, the city is the primary tenant.

Mrs. Huss asked Mr. Hames if the church would be willing to lease the parking lot to the city for twenty years and allow the city to be the primary tenant with the church using the parking lot when the city is not.

Mr. Hames said no.

Mrs. Huss said with the church growing because of the improvements, they would most likely have more activities on Saturdays which would conflict with the city's use of the parking lot.

Mr. Yates said this does not have to be an all or nothing deal.

Mrs. Huss said this is also up to City Council since this is not in the MEDC budget.

Mr. Hames asked if the Board was interested in participating and would the Board like to have the city attorney draw up an agreement that is favorable to both parties.

Mr. Hanover said there is no question that the city needs more downtown parking, especially with the new festivals being added, and this is the "ideal place to expand that parking."

Mrs. Huss said she would like to see more research before we discuss investing this amount of money, because just a couple of years ago, MEDC passed on purchasing it's own parking lot for slightly more than this amount.

Mrs. Brown said she would like to continue to discuss the matter in the future. She said it is a great project, but questioned whether it is the correct project for the EDC.

Mrs. Brown noted in the proposal the Lutheran Church said they shared the parking lot with the Church of Christ. She asked Mr. Hames if the Church of Christ has been asked to contribute.

Mr. Hames said the Church of Christ is a tenant of the building they use. It is owned by the Historical Society.

Mrs. Fox asked Mr. Hames if the church would be willing to get into a lease with the city for use of the parking lot for specific events if the city were to give the church a 12 month notice of the event.

Mr. Hames said probably not that far in advance.

Mrs. Brown said if the city were to schedule the use of the parking lot and unexpectedly the church needs to use the parking lot for a funeral, the city's event would have no parking.

Mrs. Fox asked Mr. Hames if the church would be willing to plan it's events around city events that occur at the same time every year.

Mr. Hames said, "Probably not."

Mr. Hames said it will be possible to partition off a portion of the parking lot for the city's parking if two events occur on the same date.

Mrs. Hutchinson asked if there was a way to quantify the value of the parking spaces during events.

Mrs. Huss said, "Probably not."

Mrs. Huss suggested this item go before City Council before advancing any further, including contacting the city attorney.

No action was taken on this item.

7. Discussion of the Flag and Food Festival and the decision-making process that caused the Festival to be postponed to 2020.

Mr. Cronin stated he asked Mr. Yates to put this on the agenda.

Mrs. Huss said this is a different agenda item and asked Mr. Yates and Ms. Moore to explain this agenda item.

Mr. Yates explained that Mrs. Huss reached out to Ms. Moore on February 26th, six weeks prior to the scheduled event, concerning the progress of the event. Mrs. Moore's response prompted the Mayor and Mrs. Huss to email Mr. Yates expressing concern about the lack of progress and question the successfulness of the event due to the short amount of time left before it was scheduled. Mr. Yates said Mrs. Huss asked him if he agreed with her and the Mayor that the event should be postponed, and if he agreed, to forward the email to the Board.

Mr. Yates said he did not feel "we should wait two weeks before officially postponing the event." He said he send an email to the Board explaining the situation. Mr. Yates said he realized this was a Board decision, but he did not want Ms. Moore spending fruitless time and money on an event that was beyond hope of happening.

Mr. Yates explained the reason the Mayor was involved was because the idea of the event originated with her, and she was part of the planning process.

Mrs. Huss asked Ms. Moore to explain the process of planning this festival and what was learned during that process.

Mrs. Moore said one item she learned while seeking sponsorships, was most organizations had already allocated their budgets and more than a one year period would be needed to secure sponsorships.

Ms. Moore said she also had difficulties getting vendor participation on such a short timetable.

Mr. Yates said he felt "it was just too much to pull off too quick."

Mr. Yates said the reason this was put on the agenda was because cancelling an event was a Board decision and it needed to be addressed.

Mr. Cronin stated he felt it was too aggressive a timeline when the date was first discussed.

Mr. Cronin said the President, the Mayor, Ms. Moore and Mr. Yates to make the decision for the Board. He said he spoke to an attorney and was told it is "very improper" and Mr. Cronin feels it is "highly improper" for four people to make a decision for the Board.

Mrs. Huss reminded the Board that item number seven is still being discussed and asked if anyone would like to discuss the Flag and Food Truck Festival.

There was no comment from any of the Board wishing to do so.

No action was taken on this item.

8. Consideration and possible action regarding the MEDC involvement regarding supervision of Tourism and Marketing position.

Mrs. Huss asked Mr. Cronin if he would like to make a comment.

Mr. Cronin said it is his understanding that Ms. Moore reports to Mrs. Huss regarding her position and Mrs. Huss provides direction.

Mrs. Huss said Ms. Moore reports to Mr. Yates, and because Mr. Yates is busy on a number of other items, Mrs. Huss meets with Ms. Moore once a week.

Mr. Cronin asked if it was decided by MEDC, that Mrs. Huss meet with Ms. Moore once a week.

Mrs. Huss responded it was discussed when the EDC hired a Marketing and Tourism Director, "MEDC wanted to be more involved in the direction and guidance of that person and in order to meet the MEDC's goals, somebody needed to participate more, and it was discussed that it was not going to be Jack (Yates) because John Champagne, in particular, felt that Jack (Yates) had enough on his plate, which left the Board."

Mrs. Huss continued, "The President was discussed as an option. Now if you would like to discuss matters involving the supervision of the MEDC employee, we can table this item and bring it to Executive Session at the next meeting."

Mr. Cronin said, "Let's do that."

Item was tabled until April 2019 meeting to be discussed in Executive Session. No further action was taken.

9. Consideration and possible action regarding Texas Flag Celebration event.

Ms. Moore said the Texas Flag Celebration event had previously been discussed and was scheduled for August 24, 2019.

Ms. Moore provided a budget and schedule of events in the agenda packet. She said she does not expect the event to exceed 4,000.

Ms. Moore said that Lone Star Beer has already agreed to sponsor this event and are interested in sponsoring future events in Montgomery.

Mr. Hanover asked if Ms. Moore is working on any other event between now and next year.

Ms. Moore said there was a list in the agenda packet with the next major event being Ocotberfest.

Mrs. Brown asked Ms. Moore if she will be discussing the different festivals in her report at the end of the meeting.

Ms. Moore said she could do that.

Mr. Yates suggested Ms. Moore develop and Gantt chart which can be used for almost every event.

Mr. Cronin asked about the funds allocated for the Flag and Food Truck Festival.

Mrs. Huss said it simply goes back into the budget.

Mrs. Huss suggested that formal action could be taken at the next meeting to remove the \$15,000 from that particular line item.

Mr. Yates said there may be some expenses already associated with that event, and suggested the Board simply reduce the line item to \$2,000.

Motion by Mrs. Fox, seconded by Mrs. Brown to approve the not to exceed \$4,000 budget for the Texas Flag Celebration event scheduled for August 24, 2019. Motion passes (5-1), with Mr. Cronin being the dissenting vote.

10. Consideration and possible action regarding applying for two-year alcoholic beverage sales license.

Ms. Moore explained having a beer garden during Octoberfest would require a temporary permit which would cost approximately \$231. She said there had been a discussion concerning getting a permanent liquor license for the community building. She said she had discussions with TABC concerning the process.

Ms. Moore said the city could get two-year permit for \$903 and since the community center would be in the center of any festival, it would be a permanent beer garden, but the permit would only apply to MEDC events. She said this would be a better use of funds than applying for a temporary license for each event.

Mrs. Fox asked how the city's liability insure covers such events.

Mrs. Huss said with city insurance policies, the city must get a rider for the event and it doesn't impact the insurance costs. The city merely states which events have alcohol.

Mr. Cronin asked if it was customary for cities to get involved in selling alcohol.

Mr. Yates stated that Georgetown and other cities engage in these types of activities.

Mrs. Fox said she thought the vendors would be responsible for getting the license and listing the city as an additional insured.

Mrs. Huss said the Chamber runs the Wine Festival by obtaining a license. She said that the entire point of the Wine Festival is a fundraising activity.

Mrs. Huss said the Chamber's permit is a different type of permit than the one the city is considering because the Chamber does not have one location, but instead has several tents so the permit types are different as well as the costs. She said the permits are location based.

Mr. Yates said he would be able to provide additional information for the Board at the April meeting.

Mrs. Hutchinson asked how long the approval process takes.

Mr. Yates said he believed it was only a "couple of days."

Mrs. Huss and Ms. Moore both stated the cost increases when the application is submitted close to the timing of the event.

Motion by Mrs. Huss, seconded by Mr. Cronin to table the discussion. All in favor. (6-0)

11. Consideration and possible action regarding Montgomery Neighborhood Water Party event.

Ms. Moore discussed plans for the Water Party event which will be held at the Community Center. Her budget for the event is \$700.

Mr. Cronin asked if TML would underwrite any liability with waterslides and kids.

Mrs. Huss said that would need to be verified.

Ms. Moore said she has given the City Secretary a list of all of the proposed festivals and the City Secretary has been working with TML concerning the events. Ms. Moore said it was her understanding that the different events and their individual liabilities just needed to be added on as riders.

Mrs. Huss asked Ms. Moore to find out what type of insurance the person who furnishes the inflatables should have.

Mrs. Fox asked Ms. Moore to also find out if the inflatable provider needs to list the city as an additional insured with a waiver of subrogation.

Mr. Hanover asked how this event would be promoted.

Ms. Huss said social media. She said the intent is for the event to stay local because of the size.

Motion by Mrs. Brown, seconded by Mr. Cronin to approve a not to exceed budget of \$700 for the Montgomery Neighborhood Water Party. All in favor. (6-0)

12. Consideration and possible action regarding rack card purchase and possible distribution cost.

Ms. Moore included in the agenda a copy of the rack card mock up and cost. She said these are similar to other rack cards placed at hotels and restaurant.

Mrs. Huss reminded the Board of the previous discussion on rack cards during the KOA advertising agenda item during the February meeting.

Mr. Yates asked if this was something Distrx would contribute towards.

Ms. Moore said it was something they would reimburse the cost up to 50%. She said she had already discussed this with Distrx.

Mrs. Huss said there are basically two questions: Do we want to do rack cards and how do we want to distribute them?

Ms. Moore said the city would provide the cards to an outside company who will make sure racks are filled in chosen areas. Ms. Moore provided a spreadsheet in the agenda packet with the different area options and the number of cards needed to keep the racks in those areas full. She said the company works on 3-month, 6-month and 12-month contracts, and the EDC would provide the company with the number of cards needed upfront.

Mrs. Brown asked Ms. Moore to figure out the upfront cost of the rack cards for the 3-month, 6-month and 12-month contracts. She said that figure needs to be added to the contract price so the Board will know the total cost of this project.

Mrs. Brown also asked Ms. Moore to contact Distrx to inquire if they would also contribute to the distribution cost.

Item was tabled until the April 2019 regular meeting. No further action was taken.

13. Economic Development Report – Jack Yates

Engineer Report –

Mr. Yates said Chick-fil-A will be asking for a variance for their drive-thru awnings.

Development Status Report –

Mr. Yates said the CVS store is open as well as the car wash. He also pointed out construction continues on the retail strip center immediately west of the car wash.

Mr. Yates said Texas Spirit Bank is planning on a May/June opening.

Mr. Yates said the waterline that was washed out underneath the bridge is repaired, but the city is having problems with the Baja project.

Mr. Yates said the city is very close to starting the Texas Development Board projects.

Tourism and Marketing Report –

Ms. Moore said she is working with Mercantile Bank on a Business 101 workshop set for April. She said she is also working on a calendar for social media posts to create activity. Ms. Moore said she is also working with downtown merchants to put together an events calendar to add to social media.

Ms. Moore said from February to March, the Facebook posts were seen by almost 12,000 people and those posts were engaged by 1,800 people.

Ms. Moore attended a website meeting and she is currently working on gathering information to put on the Tourism page of the city's website.

Ms. Moore said the trademark project, she has been researching different available trademarks and she reached out to the city attorney to inquire if the EDC should acquire those additional trademark types and he agreed that the EDC should do that.

Ms. Moore said the three types trademarks that we currently have applied for are one to use for advertising, which is trademarking the slogan itself; the second one is for the trademark to be used in marketing materials such as brochures and pamphlets; and the third one is for clothing such as t-shirts that the EDC may want to use in the future. Mrs. Moore said the cost of the three trademarks is \$825.

Mrs. Moore said the entire process would take between six to nine months.

Mrs. Brown asked for a copy of the calendar of events.

Mrs. Hutchinson asked if Ms. Moore was applying for multiple trademarks, as had been discussed in the past, or just for one.

Ms. Moore said this is just for the trademark for The Birthplace of the Texas Flag. She said she is still researching and speaking to the city attorney about the options. She asked if the Board wishes her to move forward on the other trademarks.

Mrs. Hutchinson said the Board may just want to secure the other variations of the main trademark, but not the different classes for each one.

14. Consideration and possible action regarding approval of October Fest event.

Ms. Moore directed the Board to look at the budget she had prepared for October Fest which is in the Board's agenda packet. Ms. Moore said this is not a final budget as item costs will change once details are secured. She said she estimated high and will update the Board with more exact figures once she has them.

Mr. Yates asked if Lone Star would be able to donate the beer or sell it at a reduced cost.

Mrs. Huss said that it would be illegal for Lone Star to give us product. They can only donate money.

Mrs. Hutchinson said the EDC's total event budget is \$35,000 and the EDC has committed to \$4,700.

Mrs. Huss informed the Board the breweries and wineries are not allowed to sell their own beverages, so the event must purchase the items and sell them.

Mrs. Huss said the cost of the event could be divided up and spent as progress is made instead of one lump sum.

Mrs. Hutchinson asked what amount would be needed in the next month to begin organizing the festival.

Mr. Yates said probably no more than one thousand. He also said that when they meet with Lone Star, they can ask for some upfront money at that time.

Mr. Cronin said more people need to be involved organizing this festival. Mr. Cronin suggested postponing the event until 2020.

Mrs. Brown asked if Ms. Moore had reached out looking for volunteers.

Ms. Moore said yes, she has been in contact with Jennifer Skinner.

Mrs. Huss suggested making the event smaller the first year, then growing it each additional year.

Mr. Hanover noted the Wine Festival started much smaller than it currently is held.

Mrs. Huss suggested the Board proceed with the logo and plans for a small community event.

Motion by Mrs. Huss, seconded by Mr. Hanover to budget \$50 for the logo for October Fest and have Ms. Moore work up a budget and plan for a smaller festival. All in favor. (6-0)

BOARD INQUIRY

No Board Inquiry.

ACTION ITEMS FROM FEBRUARY MEETING


<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>RESULT</i>


ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>
Marketing/Tourism Supervision Executive Session agenda item	Yates	April 2019
Discussion and action to formally remove Flag Festival funding agenda item	Yates	April 2019
Alcoholic beverage license information	Yates	April 2019
Rack card cost breakdown	Moore	April 2019
Liability insurance information from the water slide provider	Moore	April 2019
Event Calendar for 2019	Moore	April 2019
Billboard money	Yates	April 2019

ADJOURNMENT

Motion by Mr. Cronin, seconded by Mrs. Fox to adjourn the meeting at 8:23 p.m. All in favor. (6-0)

Submitted by:  Date Approved: 4/15/19
Amy Brown, MEDC Secretary


Rebecca Huss, MEDC President

