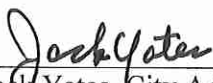


NOTICE OF SPECIAL MEETING
Montgomery Economic Development Corporation
(MEDC)

Notice is hereby given that the Board of Directors of the Montgomery Economic Development Corporation will hold a Special Meeting at 6:00 p.m. on October 29, 2018 at the Montgomery City Hall, 101 Old Plantersville Road, in Montgomery, Texas.

1. Call to Order
2. Open Public Comment
3. Approval of Minutes of September 17, 2018
4. Monthly Financial Report (September, 2018)
5. Consideration and possible action regarding the purchasing policy for the MEDC.
6. Consideration and possible action regarding amendment of the Bylaws.
7. Consideration and possible action to adopt the 1, 3, 5 year goals.
8. Consideration and possible action regarding Third Quarter Economic Development Report for City Council.
9. Economic Development Report: Sales Tax Report, City Administrator Report and City Engineer's Report.
10. Convene to closed executive session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
 - a. 551.074 (personnel matters) briefing regarding candidates for the position of Director of Marketing and Tourism.
11. Reconvene into the Open Session.
12. Consideration and possible action if necessary on matters deliberated in Closed Executive Session.
13. Board Inquiry
14. Adjournment





Jack Yates, City Administrator for
Rebecca Huss, President of MEDC

I certify that the attached notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on the 23rd day of October, 2018 at 4:35 o'clock p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier

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 Boards 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 wish 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 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

CITY OF MONTGOMERY - MEDC
ACCOUNT BALANCES REPORT
Through September 30, 2018

	<u>MONEY MARKET ACCOUNTS</u>	<u>INVESTMENTS</u>	<u>TOTALS</u>
<u>MEDC</u>			
CHECKING ACCOUNT #1017938	\$ 283,013.21		\$ 283,013.21
TOTAL INVESTMENTS	\$ -	\$ 488,973.17	\$ 488,973.17
TOTAL MIDC	<u>\$ 283,013.21</u>	<u>\$ 488,973.17</u>	<u>\$ 771,986.38</u>

INVESTMENTS

	Issue Date	Maturity Date	Interest Rate	Balance
Texpool #00006			1.92%	\$ 238,973.17
Certificates				
Allegiance Bank	6/6/2018	6/6/2019	2.00%	\$ 100,000.00
Icon Bank CD #7731	1/27/2018	1/27/2019	1.25%	\$ 150,000.00
Total Investment Balance				<u>\$ 488,973.17</u>

City of Montgomery - MEDC

Cash Flow Report

As of September 30, 2018

Date	Num	Name	Memo	Amount	Balance
51100 · MEDC Checking					233,194.11
9/07/2018	1916	Montgomery Area Chamber of ...	Partnership Grant for Director Services & Office Space Inv#1484 Sept 2018 Last Pmt	-2,566.67	230,627.44
9/07/2018	1917	Rebecca Huss	Reimbursement of Expense - Vista Print - Table Tents, decals, postcards, roll labels, banners	-656.72	229,970.72
9/07/2018			District - Reimbursement of 1/2 expense (B. Huss)	204.49	230,175.21
9/11/2018	Tran...	City of Montgomery - General ...	2nd, 3rd, 4th Qtr Admin Transfer & Reimb of Exp	-28,396.99	201,778.22
9/11/2018			Sales Tax Revenue thru 8/10/18	152,580.14	354,358.36
9/11/2018	Tran...	City of Montgomery Debt Srv ...	Admin Transfer to Debt Service thru 9/30/18	-80,000.00	274,358.36
9/14/2018	1918	Arnette Marketing	Seasonal Decorations Inv 7270	-4,014.44	270,343.92
9/14/2018	1919	Montgomery Area Chamber of ...	Wine & Music Fest Sponsorship 2018	-9,500.00	260,843.92
9/14/2018	1920	Pizza Shack	(1) Pylon Sign with EMC-Monument Sign	-9,520.00	251,323.92
9/21/2018	1921	Houston Chronicle	Inv# 222716091	-102.09	251,221.83
9/28/2018			Transfer of Sales Tax Revenue 9/18	31,791.38	283,013.21
Total 51100 · MEDC Checking				49,819.10	283,013.21
TOTAL				49,819.10	283,013.21

City of Montgomery - MEDC
Actual to Budget Performance

September 2018

	Sep 18	Budget	\$ Over Bud...	Oct '17 - Sc...	YTD Budget	\$ Over Bud...	Annual Bu...
Income							
55000 · Taxes & Franchise Fees							
55400 · Sales Tax	31,791.38	50,212.87	(18,421.49)	574,989.69	530,000.00	44,989.69	530,000.00
Total 55000 · Taxes & Franchise Fees	31,791.38	50,212.87	(18,421.49)	574,989.69	530,000.00	44,989.69	530,000.00
55300 · Other Revenues							
55391 · Interest Income	391.27	100.57	290.70	3,930.81	950.00	2,980.81	950.00
Total 55300 · Other Revenues	391.27	100.57	290.70	3,930.81	950.00	2,980.81	950.00
Total Income	32,182.65	50,313.44	(18,130.79)	578,920.50	530,950.00	47,970.50	530,950.00
Expense							
56000 · Pub Infrastructure - Category I							
56000.6 · Downtown Dev Improvments	0.00	5,861.02	(5,861.02)	34,751.38	55,000.00	(20,248.62)	55,000.00
56000.8 · Utility Extensions	0.00	0.00	0.00	142,225.50	180,000.00	(37,774.50)	180,000.00
56000.9 · Flagship Dev Improvements	0.00	0.00	0.00	4,465.00	8,000.00	(3,535.00)	8,000.00
56430 · Tsf to Debt Service	80,000.00	0.00	80,000.00	160,000.00	160,000.00	0.00	160,000.00
Total 56000 · Pub Infrastructure - Category I	80,000.00	5,861.02	74,138.98	341,441.88	403,000.00	(61,558.12)	403,000.00
56001 · Business Dev & Ret -Category II							
56001.8 · Sales Tax Reimbursement	0.00	0.00	0.00	0.00	35,000.00	(35,000.00)	35,000.00
56423 · Economic Development Grant Prog	0.00	0.00	0.00	22,070.00	20,000.00	2,070.00	20,000.00
Total 56001 · Business Dev & Ret -Category II	0.00	0.00	0.00	22,070.00	55,000.00	(32,930.00)	55,000.00
56002 · Quality of Life - Category III							
56404 · Seasonal Decorations	0.00	0.00	0.00	5,275.89	6,000.00	(724.11)	6,000.00
56420.2 · Christmas Lighting(Civic Assn)	0.00	0.00	0.00	2,469.49	1,600.00	869.49	1,600.00
56423.1 · Walking Tours	(204.49)	0.00	(204.49)	5,170.23	4,000.00	1,170.23	4,000.00
56429 · Removal of Blight	0.00	2,142.86	(2,142.86)	5,413.49	15,000.00	(9,586.51)	15,000.00
56433 · Downtown Signs	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	1,000.00
56435 · Fernland Improvements	0.00	0.00	0.00	0.00	4,000.00	(4,000.00)	4,000.00
56439 · Downtown Enhancement Projects	0.00	0.00	0.00	0.00	20,000.00	(20,000.00)	20,000.00
Total 56002 · Quality of Life - Category III	(204.49)	2,142.86	(2,347.35)	18,329.10	51,600.00	(33,270.90)	51,600.00
56003 · Marketing & Tourism-Category IV							
56408.1 · Promotional Video	0.00	0.00	0.00	3,000.00	1,500.00	1,500.00	1,500.00
56409 · Antique Show & Fest	0.00	0.00	0.00	10,000.00	10,000.00	0.00	10,000.00
56413 · Brochures/Printed Literature	0.00	0.00	0.00	7,030.00	5,000.00	2,030.00	5,000.00
56414 · Wine & Music Fest	0.00	0.00	0.00	9,500.00	10,000.00	(500.00)	10,000.00
56415 · Texian/Heritage Festival	0.00	0.00	0.00	0.00	8,000.00	(8,000.00)	8,000.00
56418 · Christmas in Montgomery	0.00	0.00	0.00	5,000.00	5,000.00	0.00	5,000.00
56419 · Website	0.00	166.67	(166.67)	525.00	2,000.00	(1,475.00)	2,000.00
Total 56003 · Marketing & Tourism-Category IV	0.00	166.67	(166.67)	35,055.00	41,500.00	(6,445.00)	41,500.00
56004 · Administration - Category V							
56004.1 · Admin Transfers to Gen Fund	9,375.00	0.00	9,375.00	37,500.00	37,500.00	0.00	37,500.00
56004.2 · MACC Administration & Office	2,566.67	2,666.67	(100.00)	30,800.04	32,000.00	(1,199.96)	32,000.00
56004.3 · Miscellaneous Expenses	0.00	635.67	(635.67)	8,156.10	6,000.00	2,156.10	6,000.00
56004.5 · Internship Program	0.00	833.33	(833.33)	0.00	10,000.00	(10,000.00)	10,000.00
56327 · Consulting (Professional servi)	0.00	0.00	0.00	11,950.75	10,000.00	1,950.75	10,000.00
56354 · Travel & Training Expenses	0.00	0.00	0.00	1,015.00	2,800.00	(1,785.00)	2,800.00
Total 56004 · Administration - Category V	11,941.67	4,135.67	7,806.00	89,421.89	98,300.00	(8,878.11)	98,300.00
56338 · Publications	0.00			102.09			
Total Expense	91,737.18	12,306.22	79,430.96	506,419.96	649,400.00	(142,980.04)	649,400.00
Net Income	(59,554.53)	38,007.22	(97,561.75)	72,500.54	(118,450.00)	190,950.54	(118,450.00)

City of Montgomery - MEDC
Actual to Budget Performance

September 2018

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55300 · Other Revenues							
55391 · Interest Income	391.27	100.57	290.70	3,930.81	950.00	2,980.81	950.00
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Expense							
56000 · Pub Infrastructure - Category I							
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56001 · Business Dev & Ret -Category II							
56001.8 · Sales Tax Rcimbursement	0.00	0.00	0.00	0.00	35,000.00	(35,000.00)	35,000.00
56423 · Economic Development Grant Prog	0.00	0.00	0.00	22,070.00	20,000.00	2,070.00	20,000.00
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56002 · Quality of Life - Category III							
56404 · Seasonal Decorations	0.00	0.00	0.00	5,275.89	6,000.00	(724.11)	6,000.00
56420.2 · Christmas Lighting(Civic Assn)	0.00	0.00	0.00	2,469.49	1,600.00	869.49	1,600.00
56423.1 · Walking Tours	(204.49)	0.00	(204.49)	5,170.23	4,000.00	1,170.23	4,000.00
56429 · Removal of Blight	0.00	2,142.86	(2,142.86)	5,413.49	15,000.00	(9,586.51)	15,000.00
56433 · Downtown Signs	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	1,000.00
56435 · Fernland Improvements	0.00	0.00	0.00	0.00	4,000.00	(4,000.00)	4,000.00
56439 · Downtown Enhancement Projects	0.00	0.00	0.00	0.00	20,000.00	(20,000.00)	20,000.00
Total 56002 · Quality of Life - Category III	(204.49)	2,142.86	(2,347.35)	18,329.10	51,600.00	(33,270.90)	51,600.00
56003 · Marketing & Tourism-Category IV							
56408.1 · Promotional Video	0.00	0.00	0.00	3,000.00	1,500.00	1,500.00	1,500.00
56409 · Antique Show & Fest	0.00	0.00	0.00	10,000.00	10,000.00	0.00	10,000.00
56413 · Brochures/Printed Literature	0.00	0.00	0.00	7,030.00	5,000.00	2,030.00	5,000.00
56414 · Wine & Music Fest	0.00	0.00	0.00	9,500.00	10,000.00	(500.00)	10,000.00
56415 · Texian/Heritage Festival	0.00	0.00	0.00	0.00	8,000.00	(8,000.00)	8,000.00
56418 · Christmas in Montgomery	0.00	0.00	0.00	5,000.00	5,000.00	0.00	5,000.00
56419 · Website	0.00	166.67	(166.67)	525.00	2,000.00	(1,475.00)	2,000.00
Total 56003 · Marketing & Tourism-Category IV	0.00	166.67	(166.67)	35,055.00	41,500.00	(6,445.00)	41,500.00
56004 · Administration - Category V							
56004.1 · Admin Transfers to Gen Fund	9,375.00	0.00	9,375.00	37,500.00	37,500.00	0.00	37,500.00
56004.2 · MACC Administration & Office	0.00	2,666.67	(2,666.67)	30,800.04	32,000.00	(1,199.96)	32,000.00
56004.3 · Miscellaneous Expenses	0.00	635.67	(635.67)	8,156.10	6,000.00	2,156.10	6,000.00
56004.5 · Internship Program	0.00	833.33	(833.33)	0.00	10,000.00	(10,000.00)	10,000.00
56327 · Consulting (Professional servi)	0.00	0.00	0.00	11,950.75	10,000.00	1,950.75	10,000.00
56354 · Travel & Training Expenses	0.00	0.00	0.00	1,015.00	2,800.00	(1,785.00)	2,800.00
Total 56004 · Administration - Category V	9,375.00	4,135.67	5,239.33	89,421.89	98,300.00	(8,878.11)	98,300.00
56338 · Publications	0.00			102.09			
Total Expense	89,170.51	12,306.22	76,864.29	506,419.96	649,400.00	(142,980.04)	649,400.00
Net Income	(56,987.86)	38,007.22	(94,995.08)	72,500.54	(118,450.00)	190,950.54	(118,450.00)

Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: MEDC budget details by line item
Date Prepared: October 23, 2018	

Subject

This is to discuss purchasing authority of the City Administrator regarding MEDC purchases. Presently the City Administrator can approve any purchase up to \$10,000 if the item is in keeping with the budget line items as approved by the Board.

Description

This guideline was adopted by the MEDC Board, for clarification, after approval of the 2017-2018 budget. This is the same guideline that I have with the City Council.

It was mentioned during this year's budget discussion that perhaps the purchasing policy should change. I just wanted to bring the subject up to prevent any misunderstandings.

I would not think that you would want the entirety of the MEDC Board to approve a "bills payable" list that must get approved each month before bills can be paid.

Recommendation

Discuss and amend as you think appropriate.

Approved By

City Administrator

Jack Yates

Date: October 23, 2018

MEDC BUDGET - DETAILS

Attached is the Proposed MEDC 2018-2019 Budget. Below is an explanation of each line item intention- I say intention because, please remember that the budget is more than just figures, it is the intended actions of the MEDC from October 1st, 2018 to September, 2019.

Not all of these intentions will happen during the upcoming year and there, almost certainly, will be new actions that you will decide to undertake during the upcoming fiscal year.

All of this is to say that the budget is as much a goals policy as a financial plan that can be amended during the year.

You may note that the budget has a planned surplus of expenditures over revenue. That will be the case if every dollar is expended during the year, which is not likely. The MEDC has a current balance of approximately \$748,730.

Revenues

- Sales Tax – Sales tax for the city overall is expected to increase.
- Interest Income – this is interest income from the balance in MEDC funds

Expenses-- state law states what can come from each category

Category I

- Downtown Improvements – the thought is that the \$60,000 would be for physical improvements in the downtown Historic District. No specific items are contemplated.
- Utility Extensions –This figure is the “balancing of the revenues versus expenses” for the MEDC budget – with no specific utility extensions planned.
- Transfer to debt service. \$160,00 due to another borrowing by the city for water and sewer debts- \$117,000 for 2014 debt and \$53,000 toward TWDB 2017 debt.

Category II

- Sales Tax Reimbursement – This is the refund of Kroger 380 sales tax.
- Economic Development Grant Program – This is where a grant is made to a historic area business or home to make an improvement to their façade, structure or public use aspect of their building. The grant intention, though not a requirement, is \$5,000 and are individually applied for and awarded by the MEDC Board.

Category III

- Seasonal Decorations – this helps the Civic Association with \$1,600 funding for their lighting of Cedar Brake Park and throughout the City during the holidays. It also allocates \$6,000 for seasonal decorations throughout the City parks.
- Walking tour-This is meant for marketing of the distrix program.
- Removal of Blight - This is for removal of old houses/structures having to do with the appearance of the city. \$15,000 will go toward those removal expenses.
- Events – This amount is meant for distribution as the MEDC Board determines for the various special events throughout the year in the City.
- Downtown Enhancement Projects—This amount is meant as planning funds for the downtown and historic district streetscape master plan program.

Category IV

- Brochures Printed Literature - This involves advertisement and other brochures and promotional materials.
- Website – This is meant as a partial payment to the new City website that will have MEDC materials on it.

Category V

- Admin. Transfer to General Fund – This is what MEDC pays for City support of MEDC, meaning the financial record keeping, my time and overall city support of MEDC economic development matters, and is \$80,000 for the salary, materials, supplies and virtually all costs of hiring a tourism/promotions person to be hired and paid in the General Fund of the City.
- Miscellaneous Expenses - Just as it reads, minor expenses of the MEDC that do not seem to fit into any specific line item budgeted.

-Internship program- a cooperative program with local businesses wherein the local business pays half the paid to the intern and MEDC matches up to \$3,000.

- General consulting (Accounting , Eng., Legal) – This is in case there is some specific engineering or legal work or advice needed for the MEDC due to looking at some specific issue, plus it could pay for the economic development analysis programs that MEDC has done on two recent occasions to analyze requested infrastructure contributions to a specific business.

- Travel and Training Expenses -- Travel for MEDC members or staff to various trainings, seminars, etc.

Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: Bylaws not available now, Possibly by the meeting.
Date Prepared: October 23, 2018	

Subject

This is to discuss and possibly approve the amendments to the bylaws..

Description

The bylaws are being reviewed by the City Attorney. Previously the Board Approved changing the annual meeting to January but one of the city attorney to review the by-laws for any ethics amendments the because of recent legislation. The City Attorney has not been able to perform this review, possibly may have by the meeting, if so I will provide them at the meeting.

Recommendation

Discuss and approve if you feel sure about the change.

Approved By

City Administrator	Jack Yates	Date: October 23, 2018
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Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: 1, 3, and 5 year goals listing
Date Prepared: October 23, 2018	

Subject

This is to discuss and possibly approve the goals listing.

Description

Attached are the 1,3, and 5 year goals discussed last month. The Board was to give the Goals thought during the month come back with any recommended changes.

Recommendation

Discuss, and if you want, approve the 1.3 and 5 year goals.

Approved By

City Administrator	Jack Yates	Date: October 23, 2018
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MEDC GOALS

ONE YEAR

Aesthetic Improvements

- Master streetscape plan for Historic District
- Construction mitigation strategy committee with HMBA and downtown merchants

Tourism

- Review and create 2-3 new festivals/events
- Identification of major festival schedule
- Development of minor event/promotion ideas – downtown and with all city groups
- Set up tourism website and updated EDC page on the City's website

Infrastructure/Economics

- Increase sales tax revenue 5% through marketing/tourist position efforts
- Consider downtown financial assistance through front foot assessments/special district
- Generate income for marketing/tourism position by administering events/fundraisers
- Continue infrastructure support for prospective business/city support
- Research other tax abatement districts
 - Set physical parameters and goals of our district
 - Approach taxing entities

Accountability

- Annual review of tourism position and MEDC Board

THREE YEAR

Aesthetic Improvements

- Have 1/3 of the Master Streetscape Plan constructed/in place

Tourism

- Join Main Street program
- Get ingrained in promotion/tourism activities so there are steady customers downtown
- Develop and establish city brand as “Birthplace of the Texas Flag” through efforts such as marketing/public relations and streetscape.
- Full implementation of expanded festival schedule
- Cohesive marketing materials, updated tourism brochures
- Develop medium term marketing strategy based on assessment of our target markets
- Create a Visitor Center downtown

Infrastructure/Economics

- Increase sales tax revenue 5-10% each year based on promotion/tourism position generating sales throughout city
- Determine and have in place a financing mechanism for Historic District improvements/activities
- Help city in effort in pay-as-you-go financing of major capital improvements
- Full implementation of tax abatement district

Accountability

- Review effectiveness of tourism position and determine whether to redirect efforts in any way

FIVE YEAR

Aesthetic Improvements

- Complete Master Streetscape Plan
- Splash pad/dog park/another park
- Improve usage of parks

Tourism

- Acquire northern festivals facility
- Amphitheater – large festival area

Infrastructure/Economics

- Increase sales tax revenue 5-10% each year based on promotion/tourism position generating sales throughout city
- Identify and acquire “whale”
- Have adequate sales tax revenue and property tax growth so city can lower property taxes to low .3000’s and still fund MEDC and City operations fully
- Downtown East
- South loop project to divert large trucks
- Improve drivability and walkability of all point of interest in town

Accountability

- Review effectiveness of tourism position and determine whether to redirect efforts in any way

Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: Third-quarter proposed City Council Report from the MEDC
Date Prepared: October 23, 2018	

Subject

This is a proposed third-quarter MEDC report to the City Council.

Description

This to review and possibly approve the third quarter MEDC report to the City Council. The report was prepared by Shannan Reid.
The Report follows the format of the previous MEDC reports.
Unless directed otherwise I will assume that you would like Randy Moravec to present this report to the City Council.

Recommendation

Read the Report and approve the Report for presentation to the City Council.

Approved By

City Administrator	Jack Yates	Date: October 23, 2018
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Montgomery Economic Development Corporation
2018 Q3 Review

DEVELOPMENTS

	NE Corner Strip Center	Pro Cor Developments	Montgomery Trace Center	
Status	Shell Completed Q3 2017	Begin construction: Est completion date:	Under construction. Est open in November	
++Employment	Solis Mammography: FTE	Retail TBD	Nail & Spa of Montgomery: 6-10 FTE	
**Value of Buildings/ Contents	Fill In Value Solis Mammography: \$450K	Shell bldg. value only: \$750K	Nail & Spa of Montgomery: \$4.5K	
	Source: <i>Permit filings only</i>	Source: <i>Permit filings only</i>	Source: <i>Permit filings only</i>	
MEDC Participation	<ul style="list-style-type: none"> No new investments 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> NA 	
Notes	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	

** More accurate accounting of building and contents will be available in 2019 MCAD appraisals



ADMINISTRATOR ACTIVITIES

- Developer Meetings: 12 Total. 4 residential. 8 commercial
- Completed preparation of 2018-2019 MEDC Budget
- Completed purchase of 149/105 property for a right-hand turn lane
- Continued to work with variety of developers

MEDC ACTIVITIES + ACTUAL EXPENSES

- Take over of Experience Montgomery website
- Approval 2019 budget
- One demolition on Martin Luther King Dr.- removal of blight

FUTURE CONSTRUCTION CONTEMPLATED

- space remaining in Plaza @ Eva
- in-line retail space remaining in Kroger Center
- Kenrock Properties behind CareNow Center
- Stone Creek Medical Center in front of Ransom's Steak House

PERMITS ISSUED + VALUE Q3 only:

- Residential: 31 issued Total Permit Value: \$ **36K**
- Commercial: 8 issued Total Permit Value: \$ **32K**

YTD:

- Residential: 88 issued Total Permit Value: \$ **87.2K**
- Commercial: 28 issued Total Permit Value: \$ **56.2K**

LEGEND

FT = Full Time = 40 hours per week
PT = Part Time = below 40 hours per week/ avg 20-30 hours per week

RFP = Request for Proposal
MCAD = Montgomery County Appraisal District

Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits: City Engineer's Report Development Status from City Admin., Sales and Use Tax Admin. Report
Date Prepared: October 23, 2018	

Subject

This is presentation of the city engineers, city administrators and (this month) a sales and use tax administration report.

Description

This is submittal of the city engineers report, the city administrators development status report, and the sales and use tax administration report (a new report from the city's contracted reviewer of sales tax)

Recommendation

Read and listen to the Reports, comment as you think appropriate

Approved By

City Administrator	Jack Yates	Date: October 23, 2018
--------------------	------------	------------------------



1575 Sawdust Road, Suite 400
The Woodlands, Texas 77380-3795
Tel: 281.363.4039
Fax: 281.363.3459
www.jonescarter.com

October 17, 2018

The Honorable Mayor and City Council
City of Montgomery
101 Old Plantersville Road
Montgomery, Texas 77316

Re: Engineering Report
Council Meeting: October 23, 2018
City of Montgomery

Dear Mayor and Council:

The following information summarizes our activities on your behalf since the September 25, 2018 Council Meeting:

Status of Previously Authorized Projects:

All projects discussed below are included in the enclosed master schedule and maps of active developments and capital projects.

a) Buffalo Springs Drive Bridge Repair (FEMA)

The contractor has completed the base installation of the approaches to the bridge and installed the guardrail on both the north and south sides. The contractor is continuing to pour slope paving this week and is scheduled to begin asphalt pavement next week. Enclosed is the most recent construction schedule showing substantial completion by the end of the month. We received and approved Pay Estimate No. 9 in the amount of \$162,205.85 to Glenn Fuqua, Inc. We are continuing to assist City Staff in providing the necessary documentation to FEMA to receive reimbursement.

b) Water Distribution System Analysis and Master Plan - CP No. 2, 12-inch Waterline Across Town Creek Bridge

We met onsite with the contractor, Spartan Direct Solutions, and the contractor for the Buffalo Springs Drive Bridge Repair project on October 12th to discuss mobilization and construction coordination between the two contractors. It is our understanding the contractor mobilized and began installing pipe this week.

c) Water Distribution System Analysis and Master Plan – CP No. 3 – Downtown and SH-105 Waterline Replacement

As a reminder, this project is included in the TWDB Drinking Water State Revolving Fund (“DWSRF”) loan. We expect to complete the design in early November 2018 and receive plan approval in December 2018. We expect construction to begin in February 2019.

Status of Previously Authorized Projects (cont.):

- d) **Water Distribution System Analysis and Master Plan – CP No. 9 - Water Plant No. 3 Improvements**
As a reminder, this project is included in the TWDB DWSRF loan. We expect to complete the design and receive all plan approvals in Winter 2018/early 2019.
- e) **Water Distribution System Analysis and Master Plan-CP No. 1, Water Plant No. 2 GST Backfill**
As a reminder, this project will be rebid with the Water Plant No. 3 Improvements project.
- f) **Sanitary Sewer System Analysis and Master Plan – CP No. 3b – Lift Station No. 1 Replacement**
As a reminder, this project is included in the TWDB Clean Water State Revolving Fund (“CWSRF”) loan. The design is substantially complete and undergoing internal review before being submitted for external review.
- g) **Sanitary Sewer System Analysis and Master Plan – CP No. 10 – Lift Station No. 3 Force Main Re-Route**
As a reminder, this project is included in TWDB CWSRF loan. The design is substantially complete, has received TxDOT approval, and is under final internal review before undergoing TWDB review. We expect construction to begin in January 2019.
- h) **18” Gravity Sanitary Sewer Extension**
The contractor is proceeding with construction of the sanitary sewer pipe and has installed approximately 780 LF of the total 1,030 LF included in the project scope. Change Order No. 2 in the amount of \$4,360.00 was approved by the City Administrator on September 28th.
- i) **Baja Road Water and Drainage Improvements (CDBG)**
We received bids for the project on October 2nd at City Hall. Enclosed under separate cover is a letter to Council regarding the receipt of bids for the Baja Road Water and Drainage Improvements project. The construction cost is less than the original cost estimate for the project, which has created a surplus of funds to be allocated from the grant. We are currently evaluating potential options for a Phase II of the project to utilize the remaining funds that will not be used in this project.
- Action Item* – Consideration and possible action regarding award and execution of construction contract documents for the Baja Road Water and Drainage Improvements project.
- j) **Baja Road Paving Repairs (FEMA)**
We have prepared a scope and schedule for the project, which has been approved by the City Administrator. We are beginning our design of the project and preparation of bid documents. As a reminder, this project will take place following the completion of the Baja Road Water and Drainage Improvements (CDBG) project.
- k) **Atkins Creek Water, Sanitary, and Storm Sewer Repairs (FEMA)**
We submitted preliminary plans to FEMA for review this month and are awaiting results of the scour analysis before proceeding with the environmental clearance process.

Status of Previously Authorized Projects (cont.):**l) GLO Projects**

We received Request for Information No. 1 on October 3rd and worked with the City Administrator and GrantWorks to provide a response on October 10th. We are continuing to coordinate with GrantWorks to determine when funds will become available.

Existing and Upcoming Developments:**a) Feasibility Studies**

There are no active feasibility studies at this time.

b) Plan Reviews

i. **Peter Hill Public Infrastructure** – We received revised plans on July 3rd and await the deposit of funds from the developer before proceeding with our review.

ii. **Shoppes at Montgomery, Phase II** – We did not receive revised plans this month.

iii. **Heritage Seniors Apartments** – We received revised plans on October 3rd and provided plan approval on October 4th.

iv. **Exxon Eva Street** – We received plans on August 28th and are in discussion with the developer regarding requirements to be shown before completing our review.

v. **Wendy's (Haza Foods)** – We received plans on October 3rd and provided comments to the plans on October 9th.

c) Plat Reviews

i. **Samdana Investments Minor Plat** – We did not receive a revised plat this month.

ii. **Shoppes at Montgomery, Phase II Final Plat (Revised)** – We received the revised plat on September 11th, which modifies the Sanitary Control Easement shown on the previously approved plat. We offer no objections to the plat and recommend approval of the revised final plat as submitted.

Agenda Item – Consideration and possible action regarding the revised final plat for The Shoppes at Montgomery, Section 2.

d) Ongoing Construction

i. **Hills of Town Creek, Section 3** – Construction is proceeding on the public improvements to serve the development.

Ongoing Construction (cont.):

- ii. **Emma's Way** – We held a final inspection of the infrastructure on August 27th and provided the contractor and developer with the final punch list. It is our understanding the contractor is working to address all punch list items.
- iii. **Shoppes at Montgomery, Phase I** – The Contractor is proceeding with construction of the public waterline and sanitary sewer line along FM 2854.

e) One-Year Warranty Inspections

- i. **Lift Station No. 14** – We are working with Public Works and Gulf Utilities to bring the lift station to the proper specifications with the funds deposited by the developer for the replacement pumps.
- ii. **Gardner Drive** – We conducted a one-year warranty inspection for the public infrastructure installed on August 28th. It is our understanding the contractor is working to address all punch list items identified at the inspection.
- iii. **Lake Creek Village, Section 3** – We plan to conduct a one-year warranty inspection for the public infrastructure on October 19th.
- iv. **Flagship Boulevard Pavement Repair** – We plan to schedule a one-year warranty inspection for the public infrastructure in November.
- v. **Heritage Place Medical Center 12" Waterline** - We plan to schedule a one-year warranty inspection for the public infrastructure in November.
- vi. **Buffalo Springs Shopping Center Phase II Public Water and Sanitary Sewer** - We plan to schedule a one-year warranty inspection for the public infrastructure in November.

Meetings and Ongoing Activities:

- a) **2018 Catahoula Well Permit Amendment** – It is our understanding Lone Star Groundwater Conservation District approved the Catahoula Well permit amendment application at their October 9th Board meeting. It is also our understanding the amended permit will go into effect immediately upon receipt of payment from the City.
- b) **Lone Star Parkway Transportation Improvement Plan (TIP)** – We are working with the H-GAC to discuss planning for the possible acceptance Lone Star Parkway by TxDOT in the future. We plan to attend a meeting with TxDOT on November 6th to discuss including the project on TxDOT's Regional Transportation Plan before including it on the H-GAC TIP.
- c) **2018 Annual Water Plant Inspection** – We are planning to complete the 2018 annual water plant inspection of Water Plant Nos. 2 and 3 on November 6th. As a reminder, this will be a full mechanical and electrical inspection and corresponding report, as approved at the June 26th meeting of the City Council.

Meetings and Ongoing Activities:

- d) **Development Handbook and Approval Process** – We completed all updates to the Development Handbook and have provided a final copy to the City Secretary and City Administrator to publish on the City's website.
- e) **Developer's Roundtable** – We are continuing to work with the Mayor and City Administrator to determine if any changes should be made to existing ordinances and processes.
- f) **FM 149 Southbound Turn Lane** – We are coordinating with TxDOT to determine the additional right-of-way that would be required to construct a southbound right turn lane at the intersection of FM 149 and SH-105. As a reminder, this right-of-way would be dedicated from the property owner of the Exxon station at the northwest corner of the intersection.
- g) **Weekly Operations Conference Call** – We continue hosting a weekly conference call with representatives from Gulf Utility Service, Inc. and City Staff. Items of note discussed during the previous month included receiving estimates for repairs to Lift Station No. 14, updates on various warranty inspections, general updates on all active design and construction projects, and general operations of the City's water and sanitary sewer facilities.

Please contact Katherine Vu or me if you have any questions.

Sincerely,



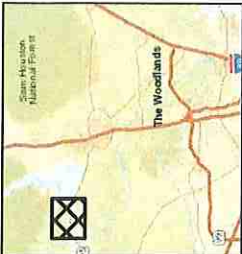
Chris Roznovsky, PE
Engineer for the City

CVR/kmv

K:\W5841\W5841-0900-00 General Consultation\Meeting Files\Status Reports\2018\Engineer's Reports\Engineer's Report 10-23-18.docx

Enclosures: Active Capital Projects Map
 Active Developments Map

Cc (via email): The Planning and Zoning Commission – City of Montgomery
 Mr. Jack Yates – City of Montgomery, City Administrator
 Ms. Susan Hensley – City of Montgomery, City Secretary
 Mr. Larry Foerster – Darden, Fowler & Creighton, LLP, City Attorney

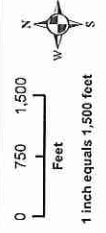


VICINITY MAP

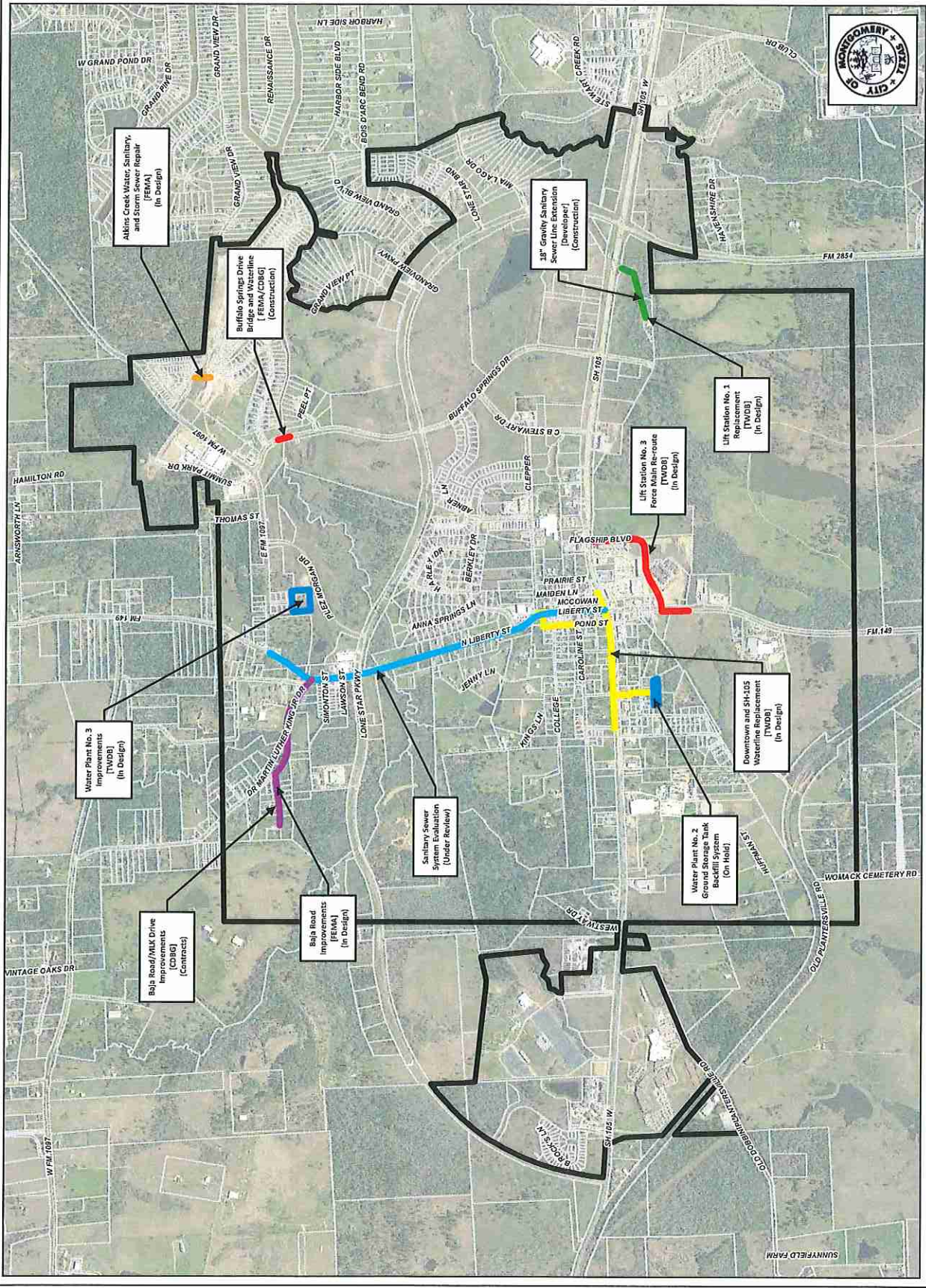
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ACTIVE CAPITAL PROJECTS (OCTOBER 2018)



Disclaimer: This project is intended for informational purposes and is not a contract. It does not represent an anticipated or approved project. It does not represent an anticipated or approved project. It does not represent an anticipated or approved project. It does not represent an anticipated or approved project.



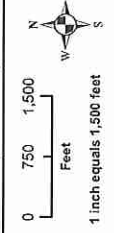


VICINITY MAP
Scale: 1 inch equals 20 miles

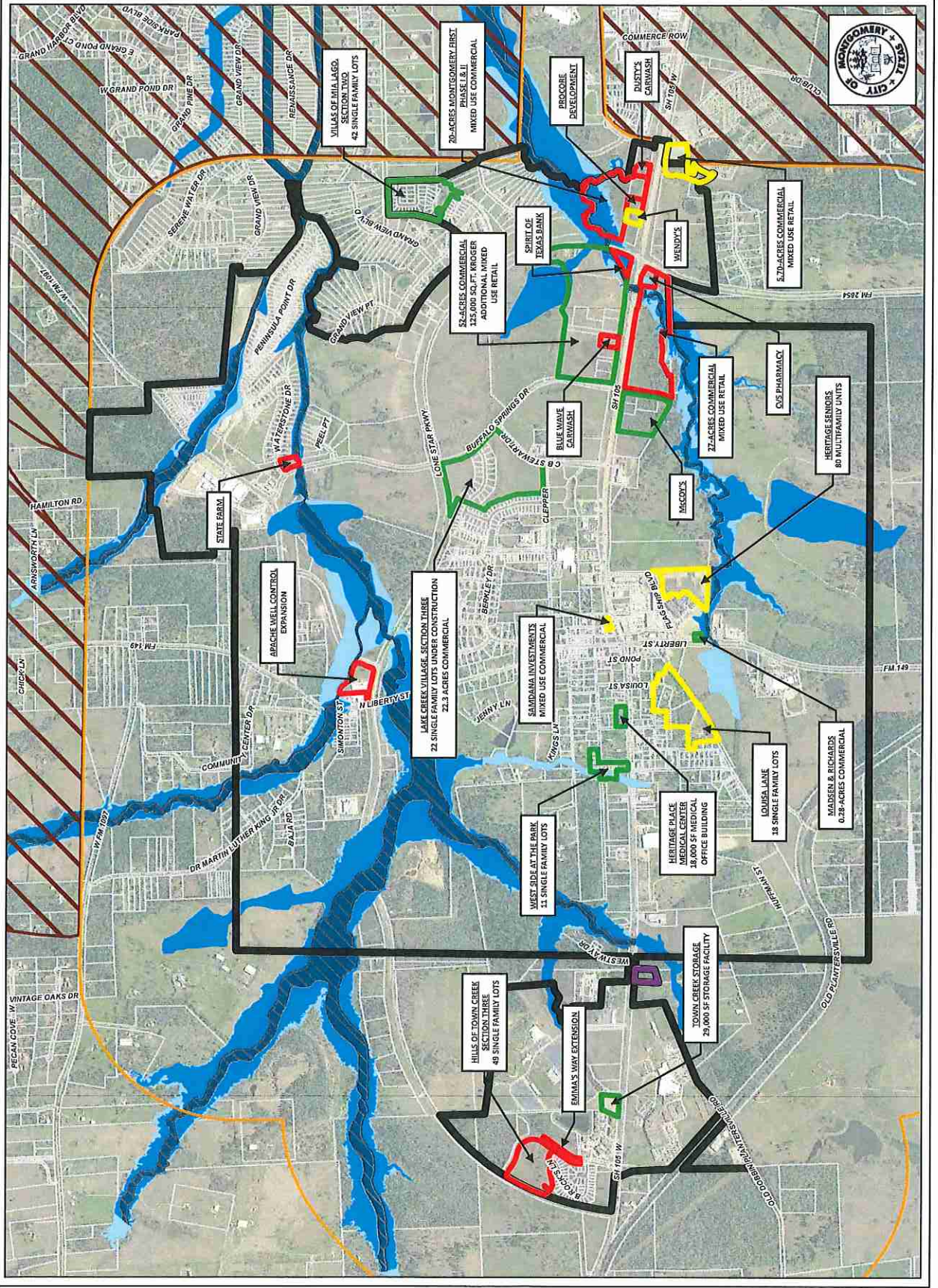
LEGEND

	Active Development (Phase)
	Complete/Under Warranty
	Under Construction
	In Design
	Planning/Feasibility
	City Limits
	Stanley Lake MUD
	City ETJ
	City of Conroe ETJ
	Floodway
	100-year
	500-year
	MCAO Parcels

ACTIVE DEVELOPMENTS (OCTOBER 2018)



Disclaimer: This project is intended for informational purposes and is not intended to be used for any other purpose. It does not represent an offer of insurance or any other financial product. The information is provided for informational purposes only and does not constitute an offer of insurance or any other financial product. The information is provided for informational purposes only and does not constitute an offer of insurance or any other financial product.





CITY OF MONTGOMERY

Development Status Report

By: Jack Yates, City Administrator

September 13, 2018

 = New Addition since 9-13-2018 edition

KENROCK Property – This is the approximately 13-acre piece of property that lies immediately west of Pizza Shack and east of the property being developed on the northeast corner of Highway 105 and Lone Star Pkwy.

The Plat for this project has three pad sites on the Highway 105 frontage and one 16,000 sq. ft. building in one 24,000 sq. ft. building on the north side of this property. The development of Dusty's Car Wash is now in the construction stage. It is a \$2 million dollar improvement according to their building permit.

They have started the dirt moving part of construction in the middle part of this tract on what will be a standalone AT&T phone/wireless store. On the extreme west side of this development will be a Wendy's Restaurant- in very early stages of planning now.

Two accesses to the entirety of the property will be off Highway 105 and they will also share a driveway with the developer of the northeast corner of 105 and Lone Star Parkway for their Lone Star Parkway access.

Montgomery First Shopping Area- Northeast Corner of SH105 and Lone Star Parkway - This is a strip center of approximately 20,000 sq. ft. One third of the building is an emergency medical clinic and another one third a dentist office. The pet supply store between the dentist office in the clinic had their opening in mid-May. A Mammography testing site will finish out this sites development.

Southeast Corner of Highway 105 and FM 2854 – This is the HEB corner. HEB representatives met with the city engineers and myself about fifteen months ago and said at that time that they were probably two years away from getting serious about building, so no speculation at all about when they may build.

Peter Hill Annexation – This is a 3.22-acre tract that is immediately south of SH 105 across from Pizza Shack. The total property is approximately 5 acres but 1.8 acres of the property is in the Conroe ETJ, and Conroe would not give up their right to annex.

That left the 3.22 to be annexed into the City of Montgomery. The plan is for businesses to be located on the total 5 acres. In the 3.22 portion located in the City, what is planned is an exercise gym and a tire repair/replacement shop. The owner

is saying he is anxious to get started, but as of this date they have not obtained a building permit. The zoning of this property was approved for “B” Commercial at the March 24 Council meeting.

Kroger Site - They have approximately six pad sites on their property near Highway 105 and Lone Star Parkway. A Burger King restaurant is in the Kroger Center. The other businesses that is in the retail center next to Kroger is Great Clips, Halo and Coiffure,, Malibu Nails and Spa, Massage Envy, Everbright Dental, Taste of China restaurant, and a Stoney’s Liquor. There are two empty spaces remaining.

West of Kroger/East of Buffalo Springs Road - The developers have placed their interior water and sewer and other interior property utilities now. Blu-Wave Car Wash will be the first building at the southeast corner of the tract. Otherwise the site plan shows a strip center similar to the Kroger strip center and three pad sites up closer to SH 105.

Southwest corner of FM 2854 and State Highway 105- This 26-acre property Developer just reached approval of a development agreement with the City Council. A CVS drugstore will be going to one of the pad sites. Construction work began in July with a February completion date planned.

The City’s 380 Agreement includes relocation of the Lift Station #1 and getting about $\frac{3}{4}$ of an acre of land for an addition to the Sewer Treatment Plant. This is part of a 380 Agreement between the Developer and the city with their utility feasibility study amount of approx. \$430,000 with the Developer paying \$200,00 toward the relocation of L.S. #1 to open up more developable property since the LS is roughly in the middle of their property now. All totaled, the city is rebating one-half of one cent of the two cents sales tax generated by the entire development to total 1.1 million dollars, or ten years whichever comes first, while the city is receiving approximately \$850,000 of payments from the Developer. A major announcement regarding a much-anticipated restaurant is expected in July for this tract of land.

South Loop around State Highway 105 – As the city continues to grow, traffic on Highway 105 and FM 149 will continue to get more congested. The City and Montgomery County Commissioners agreed late summer of 2017 to pay for a Mobility Study for the City and the immediate area. The Mobility Study was accepted by the City Council in late-January. One of the items in the Study is the need for a south loop extending from 2854 to Highway 105 west of the city. The loop would probably be outside the city south of the present city limits but could be

annexed into the city as time/circumstances allow. The reason to do the planning for the loop now is as development occurs in area of the loop land can be set aside for the right-of-way for the ultimate paving of the road.

North Loop around SH 105 -- The City Council at its December, 2017 meeting directed the City Administrator and Jones/Carter Engineering to start coordination work with the Houston Galveston Area Council to get either the northern loop and/or the southern loop on the Transportation Improvement Program (TIP) that will provide either 80% funding or 90% funding for these projects. Getting on the TIP involves probably several years of planning to get into the multiyear planning program. The TIP program is how major funding happens for major roads in the region. The first of this this coordination work will began in late-February this week with a meeting at the Houston regional office with TxDOT, HGAC, Montgomery County and City representatives at the first planning meeting. The first meeting went well with very broad discussions toward what will probably be a four-year program of planning and funding arrangements

Expansion of Sewer Plant Area – The City has received State Department of Environmental Quality approval of a discharge permit for the sewage treatment plant located at the end of Buffalo Springs Road south of Highway 105. At the same time a discharge permit was approved for what is called the Stewart Creek Treatment Plant, the former treatment plant site that has been taken out of operation for about 10 years.

The Sewer Master Plan completed in March 2016 - presented a scenario to where the Stewart Creek Plant was put back in operation. By applying for both discharge permits that leaves that option open.

The need for additional treatment capacity, we think, is 3 to 5 years away -- allowing time to make a decision about whether or not to expand the Buffalo Springs site or to put the Stewart Creek Plant back into operation.

Part of the Texas Water Development Board borrowing that happened summer, 2017, is to improve lift station number one that now feeds all the city sewage into the Buffalo Springs site. The decision regarding the sewer plant expansion/Stewart Creek operating will probably be in the next 1 to 2 years.

Right now, the sewer plant has a permitted capacity of 400,000 gallons per day with a current usage of approximately 135,000 gallons per day. However, state regulations

say that you need to be in the planning/designing stage at 60% of capacity (240,000 gallons per day) and in construction and 80% of capacity (320,000 gallons per day). With the addition of approximately 75 houses per year plus all the commercial development is not hard to imagine us doubling our flow in the next 3-4 years. How that will be paid for is another entirely different subject.

Spirit of Texas Bank -- The groundbreaking at the northeast intersection of 105 and Lone Star Pkwy. was September 5, and construction is moving along rapidly. They are supposedly shooting for a February opening.

McCoy's Lumber Development – McCoy's has developed into the #2 sales tax payer in the City. No movement on their other three pad lots around them.

Ransom's Area Development- Phillip LeFevre has developed an area for soccer fields immediately north of the Ransom's Restaurant. The Montgomery Soccer Club, plans on having tournaments and league play there.

Ferland Historic Park - The Park is getting more and more popular. The individual visits are increasing as are tours – this July there were 477 visitors and 43 tours were noted by the Docents at the Park.

Memory Park – The Lake Conroe Rotary Club continues to do an excellent job with making improvements, maintaining and essentially managing the Park. They continue to put tens of thousands of dollars into the park every year with the City funding the park maintenance/overall expenses of approximately \$20,000 per year.

Downtown Walk Ability/Improvement Plan – This will be an effort to plan for sidewalks, drainage, parking, landscaping with the ornamental lights and overall making it easier to park and get around downtown. Downtown is thought to be the heart and soul of the city and what will keep the Montgomery atmosphere after all of the new development happens. The plan is under way now, funded by the Montgomery Economic Development Corporation. Upon receipt of a plan the intention is to meet with the downtown property owners, the general public and others to decide on a street by street detailed plan of action.

The first of these projects is the downtown parking area South of the Cozy Grape Restaurant. The city leased the area all the way from Cozy Grape Restaurant South to Caroline Street with the MEDC paying for the parking paving and landscaping around the area.

Hodge Podge Lodge – The owner is no longer planning a 3200 sq. ft. addition on the north side of the present building. He received a building permit to improve and enlarge his kitchen area for what is becoming an event center and has hired the Chef away from the Walden Yacht Club.

Montgomery Trace Shopping Center – The Center recently was sold to another investor: Brookshire Brothers has renewed its lease and also just received a sizeable building permit for several instore upgrades. I think we are all glad that they are able to carve out a market for themselves with Kroger so they can continue their excellent business that they have supported Montgomery with for all these years. An UncleBob's Barbecue Restaurant opened mid-May. A Nails and Spa of Montgomery is moving in soon, in Suite G.

Montgomery on Eva Strip Center --A nail salon was added November, to the existing T-Mobile shop. A mattress sales business is now open, filling in the Center. The building is a fine-looking addition to the frontage area in front of the Shopping Center.

Madsen Commercial building—This is the new building that is going up on South FM 149 adjacent to the pond north of the MISD bus barn. The building will have as dog training business (open now) and an auto repair shop (planning on being open by September, 2018).

Senior Housing Development – Lone Star Senior Housing, that has 11 other locations, and Blazer Development Company, developer of the Heritage Place Apartments, South of Brookshire Brothers Grocery -- the City Council, at its January 23rd meeting, gave support to both of their applications that they intend to make this year. The development would be for over 55 years of age occupancy only.

Baja Street Project - A Community Development Block Grant has been awarded from the state for repaving of Baja Street, replacing a water line and improving the ditches along Baja - and replacing some water line on Martin Luther King Blvd. \$26,000 cash match is required for the \$350,000 our grant. We expect to start work on the project in September/October of 2018.

Blight Removal in the Northwest Area – Over the past two years eight structures have been torn down and removed. One more removal is being planned now. All of these were with the permission of the owner and demolition costs were paid for by the Montgomery Economic Development Corporation, to the furthering of removal of blight for the overall economic improvement to the city.

HOME Grant --The City Council, at its May 9th meeting approved an application to be made for the state of Texas HOME project. This will fund up to eleven new replacement houses or major renovation) for those who qualify. The qualifications are: have income below the 80% of the average income for the area, be the owner of the house where the person now lives, have a clear title to the property where the new house would go. Preliminary review of the applications have eight that may qualify for the new houses.

The grant has no local match, but MEDC has said that they will front any incidental costs and any cost required by the grant.

The timing of the project is (approximately - remember this is the government and there is lots of coordination that needs to happen): verify qualified awardees in July, coordinate house design in August/September, take bids for house builders in October, finish building in January, move-in of residents in February, paperwork compilation/project closeout in January, 2019.

A meeting was held Thursday, April 19 at the City Hall for all that had applied for the new homes. Prior to the meeting, the 30-day open application period started on Tuesday, March 20.

Each house involves approximately \$100,000 in funding, administration, and cost of legal work, site preparation and construction of the house.

FM 149 Road Improvement – The city staff has been having monthly meetings with TxDOT design engineers.

There have been meetings with TxDOT, individual property owners and businesses over the past several months.

The Council passed a Resolution on July 10th asking TxDOT to proceed as quickly as possible in the SH 1052 Caroline St. section that includes the addition of right-hand and left-hand turn Lane zone FM 149 as it approaches 105, and to start on the FM 149 project from Clepper Street north to the FM 1097/FM 149 intersection. For the Caroline Street to Clepper section of the project the Council is requesting TxDOT to wait on this portion of the project until the downtown development streetscape

plan is approved by the Council. The Council has directed the city planning commission to work with the community to develop streetscape plan within the next 12 months.

Buffalo Springs Bridge – The status of the bridge repair is that the City Council accepted the bid of Glenn Fuqua, Inc. for \$1,023,747.90 at its November 14th meeting. Construction started in early January (25 days of construction time has been added to the contract due to weather delays) take approximately five months. The bridge decking will come slightly before the ending of the project, so the road should be opened by early-October with completion of the total project by mid-October. The Contractor is over his allotted time to complete the project is is being assessed \$250. per day of damages.

The project is funded by FEMA based on FEMA share of 75% of the actual contract price of the project.

A Disaster Relief Community Development Block Grant application for \$300,000 has been awarded that will go towards the city's 25% share of the bridge repair.

Land-Use Plan - A land-use plan is an overall broad – based view of how the land use in and around the city in the ETJ area is to be planned. It is not a zoning map although it is often used as a basis for zoning. The City Council approved the Plan.

Another reason to do this process is to plan for where low density versus high density residential properties may be developed in the city. The Planning Commission and Council have discussed a pre-planned determination of where in the city they would be with agreeable to low density development. By doing this pre-planning the Council and the developer has an idea about how the area should be developed rather than on a one by one application/determination basis.

Town Creek Addition Section Three - This is the new 48 lot addition immediately west of Town Creek Apartments off Emma's Way. Style Craft builders are also building in Section Three.

Terra Vista Addition - This is the new 36 lot addition immediately south of Summit Business Park on FM 1097.. There are now 8 housing starts in the subdivision.

Rezoning of Property inside the City - This is an action of the Planning and Zoning Commission to rezone five properties inside the city, primarily on the S Hi105, where the current zoning does not fit the current need for the development of the property. The Planning Commission has an idea of what they intend to rezone, but they are going to invite the property owners of the properties being considered to a discussion before starting the formal public hearing process. This discussion is planned for their June meeting. Then determining on the result of those discussions, the Commission will decide which properties to actually initiate rezoning.

Historic Markers – Funded by Montgomery Economic Development

Corporation - The MEDC offers to pay for historic markers as designated by the County or State Historic Societies. This means that anyone with a property with historic enough significance to receive a County or a State approved plaque marker, that the MEDC as part of its promotion and marketing function will pay for the marker and will place the marker on the right-of-way in front of the location involved. This should have significant effect on keeping historic Montgomery in the forefront of people's minds adding to the ambiance and character of the City.

Town Creek Self Storage Units Completed -- The Town Creek Self Storage Unit complex is open for use. Chris Cheatham is the builder/owner of the units. The Units have 251 rental spaces available (165 climate controlled and 86 nonclimate controlled), sizes ranging from 5' x 5' up to 10' x 30' with 24-hour high tech security and gated access code. In the convenient location on 22852 SH 105 and next to the Town Creek Apartments, across the street from Montgomery High School.

Emma's Way –Extension to Lone Star Pkwy. -- The thought here is for Emma's Way to get another extension with the next subdivision—then at some point the city and the MISD pay for the balance of the extension all the way up to Lone Star Pkwy. The cost of the city/school extension is estimated at \$600,000. The discussion up to now has been that the school and the city would roughly split that \$600,000. With the basis for that being that Emma's Way will serve the football stadium facility running alongside their Western boundary. The City's desire is simply to get a through street direct from the high school to encourage traffic to Lone Star Pkwy. to relieve some traffic on State Highway 105. The discussions for this project will probably come back up after the subdivision's extension of Emma's Way that is happening now, with completion expected in August.

An extension to Emma's Way of approximately 600' is nearing approval for the purpose of serving Town Creek Subdivision Section III.

Shannon Salsbury New Office at Waterstone – Shannon is in construction on a new office building for his insurance office with two additional for lease spaces. Mr. Salsbury is building immediately north and east of the Buffalo Springs Bridge on Buffalo Springs Road. He now offices in the Montgomery Trace Shopping Center. He is expecting to be in the new Buffalo Springs location by the end of 2018. His long-range plan, he told me, calls for another strip office space center on the north side of Buffalo Spring Road across from his new office.

Texas Water Development Board – Funding -- The TWDB has provided funding of 2.8 million for water and sewer work. The projects are-- for water; connection of the 12-inch line north of Clepper to the 12-inch line immediately west of Cedar Brake Park (which should help the water pressure on the western side of the city and eliminates the six-inch bottleneck in the system), improvements at Well #3 the Catahoula well (that we think will increase production about 25%). For sewer: Lift Station #1 upgrades (all the sewage in the city goes through this station which is already operating beyond design capacity), Lift Station #3 Force Main Reroute will serve to eliminate the need for another lift station and secures capacity in the system). All of the projects are in engineering design now, with a start date for completion of the design and construction to be begin mid-November.

General Land Office possible grant – In late May, 2017 we found out about a 22 million dollar grant that had been offered to Montgomery County from the Texas General Land Office (GLO) for flood related damages. Montgomery was one of six Counties in the state that the GLO had selected because of having the worse flood damages in the past two years. The county organized the GLO offer within the county for how the funds should be allocated. The County, after discussing with the cities in the County and two or three housing groups in the County, decided that the funds should be distributed based on the amount of FEMA damages and the amount of low income in the area involved. The City of Montgomery had the most damage of any city in the County.

As such Montgomery was “allocated” \$2.2 million dollars of GLO dollars. This “allocation” is not a grant, the actual application is made by the City to the GLO, but the money set aside for the City so long as we apply for “correct” type of projects.

The GLO grant funds can be used for drainage, water and sewer, generators, and the 25% City match monies spent already on FEMA projects.

The GLO application is prepared and was filed at the end of March. GrantWorks will be the grant writer and administrator of the grant and Jones/Carter is the engineer on the project.



CITY OF MONTGOMERY, TEXAS

Sales and Use Tax Administration Report

October 2018

THIS REPORT CONTAINS CONFIDENTIAL INFORMATION. It is not open to public inspection or subject to open records requests. It may be used only for the purposes of economic forecasting and internal audit (Texas Tax Code 321.3022 C).

October 23, 2018

To: Honorable Mayor Sara Countryman, Montgomery City Council, City Staff

From: Sales Revenue Inc.

Re: October 2018 Sales Tax Administration Report

How to Analyze this Report

Sales Revenue Inc. has undertaken numerous steps in preparation of this report; it is our sincere desire that the City Council will be able to have a full understanding of the long and short-term status of sales tax filers and receipts going forward. In order to assess the City sales tax effectiveness, Sales Revenue Inc. has undertaken the following steps:

1. SRI representatives have physically canvassed the brick-and-mortar businesses operating within the City limits. A copy of our findings is included with this report. Going forward, this list of business owners will serve as the “master list” and will be updated accordingly. Each time the master list is updated a copy of the latest audit is taken into the District and all changes discovered are notated in **RED TEXT**.
2. Each business is evaluated for taxable goods or services, and a sales tax permit has been inspected for each entity that qualifies. Additional categories have been assigned to business spaces that either do not qualify for sales tax or were vacant at the time of inspection.
3. If a business is performing a service which does not currently qualify for the local tax it is notated as **NOT TAXABLE**. Examples of such entities include: most medical services, fire and EMS, governmental services, most lending and financial institutions, religious organizations, Etc.
4. Businesses that currently perform a service that does not qualify for the local sales tax levy but could, at some point, begin to sell taxable products are notated as **SERVICE ONLY**. Entities which qualify for this category include: some hair and most nail salons, take-and-go food providers where no seating is provided, and charitable organizations.

How to Analyze this Report (Continued)

5. **NEW CONSTRUCTION** and recent **VACANCIES** notated during the canvass are listed as such within the report as well.
6. Sales Revenue Inc. has been granted access to confidential information reports that pertain to the monthly sales tax filings by individual businesses. This information serves as a basis when discovering missing payment and non-compliant sales tax receipts. These reports are used each month to provide the Top 25 annual and monthly tax payer list. Each month SRI representatives receive several data sets from the City and State, allowing real-time monitoring of sales and use tax permit creations and decommissions.
7. Graphical models are provided listing current and historical sales and use tax allocation totals, trend and variance percentages. These graphs are updated each month and are presented whenever Sales Revenue Inc. provides an updated report to City Council.
8. **Non-Compliance Report.** Every six months SRI reviews the payment detail, which is provided by the State Comptroller. An initial report is drafted by our office and provided to the State, utilizing a combination of confidential information as well as our physical canvass results. Once the State has rendered a final decision on the report it will be presented to City Council. The first non-compliant report has been presented to the State.

Per the Comptroller of Public Accounts (CPA), many times a business entity is remitting a Jurisdictions local tax correctly but is not added to the confidential reports. The CPA states that it is the responsibility of the taxing authority to request addition of omitted businesses to the confidential report. In addition to requesting a full review of any missing sales tax allocations for each business, Sales Revenue Inc. has also requested that each business would be added to all reports going forward.

The Comptroller has 44 working business days in which to provide a response to the City. Once the determination is final, a refund is issued within 30 days and remitted to the City in the following quarter.

Overview of the City of Montgomery Audit

The City of Montgomery was physically inspected in June and July 2018. A total of **234** entities, including vacant spaces in the retail and industrial centers, were notated. Of the entities audited, **156** provide a service or product that qualifies for the local sales tax levy, these businesses are responsible for adding to the monthly, quarterly, and annual allocations received from the State.

Each business that is inspected is reviewed for correct sales tax application as well as qualifications of goods or services for the additional sales tax levy. Each time a physical inspection is performed this list will be updated and prior inspections reflected.

Additional notations are made within the report including vacancies, business closures, and new construction. The current report reflects the following business breakdown by category:

Month and Year	August 2018
Total Entities	234
Sales Tax Permit Holders	156
Non Taxable Entities	48
Provide Service Only	12
Vacancies*	16
Misc.**	2

**Vacancies can include recent spaces formerly occupied by businesses that are no longer operational.*

***Miscellaneous can include game rooms, storage, lockouts, owner refusal, operational businesses that were closed, or businesses that were closed with no indicating name or signage that can identify that space.*

Tax Year 2018 Sales Tax Allocation through October

October 2018: A review of the monthly reports provided by the Comptroller of Public Accounts reflects 4,399 active taxpayer accounts coded to the City of Montgomery. Many of the accounts are either E-Commerce related, or are coded as active but have not made a sale yet, and therefore are not reflected in the monthly report(s).

Total Sales Tax Payers by Month

Every month Sales Revenue Inc. receives copies of Confidential Reports that list individual taxpayers who have allocated sales tax to the City. The total number of sales tax payers is then extracted and updated below. A thirteen month running average is listed to provide comparison.

YEAR	MONTH	SALES TAX FILERS
2017	October	1,398
2017	November	1,677
2017	December	1,446
2018	January	1,467
2018	February	1,757
2018	March	1,473
2018	April	1,452
2018	May	1,637
2018	June	1,466
2018	July	1,490
2018	August	1,680
2018	September	1,602
2018	October*	1,634

The number of taxpayers filing local taxes fluctuates throughout the year. February and quarterly filing months have traditionally reflected the highest number of sales tax payers and dollar amounts. Represented here is a listing of each month and the number of taxpayer returns filed in the District. Quarterly filing months are listed in **BOLD**.

Average number of taxpayers filing each month: 1,552

*17% increase in taxpayers since October 2017.

February 2018 reflects the largest single-month number of sales tax filers in the City of Montgomery's history.

Sales Tax Allocations through October

Sales tax receipts for Calendar Year 2018 total **\$1,881,670.05**

For Tax Year 2018* sales tax receipts total **\$1,438,546.97.**

Reviewing the past twelve month reporting period, the City of Montgomery sales tax receipts were derived from an average of 1,565 taxpayers filing local tax returns each month with February 2018 reflecting the highest taxpayer count of 1,757.

Top 25 Sales Tax Filers - Twelve Months Combined

1	KROGER TEXAS L.P.
2	MCCOY CORPORATION
3	BROOKSHIRE BROTHERS INC.
4	ENERGY TEXAS INC.
5	O'REILLY AUTO ENTERPRISES LLC
6	CHEROKEE TEJAS LLC
7	DIRECTV LLC
8	CEQUEL III COMMUNICATIONS I LLC
9	JIM'S HARDWARE INC.
10	CATERPILLAR FINANCIAL SERVICES
11	THE ECLECTIC TRADING COMPANY
12	ALLEYTON RESOURCE COMPANY LLC
13	SKIPPER BEVERAGE COMPANY LLC
14	AZZIP ENTERPRISES INC.
15	STRICKSCAPES INC.
16	YOUNG LIVING ESSENTIAL OILS LC
17	MELLANOX TECHNOLOGIES INC.
18	KOLKHORST FOODS LLC
19	INTERSTATE RESTORATION LLC
20	JEETHO BUSINESS INC.
21	CSTAT-ATP LLC
22	J RODRIGUEZ INC
23	SANDERS GOLF LLC
24	A & A PLANTS AND PRODUCE INC.
25	STOWE'S COLLISION REPAIR LLC

Breakdown of Top 25 Tax Payers:	
\$100,000-\$300,000.00	2
\$50,000-\$99,999.99	5
\$10,000-\$49,999.99	18

Combined local taxes filed: \$1,185,578.55

**Tax Year refers to the actual months when sales tax is received for the sales tax calendar year. In this case, March 2018-February 2019 make up the annual receipts period.*

Top 25 Sales Tax Filers-October 2018

1	MCCOY CORPORATION
2	O'REILLY AUTO ENTERPRISES LLC
3	JIM'S HARDWARE INC.
4	CATERPILLAR FINANCIAL SERVICES
5	CHEROKEE TEJAS LLC
6	TARA AUSTIN
7	DIRECTV LLC
8	KOLKHORST FOODS LLC
9	SKIPPER BEVERAGE COMPANY LLC
10	THE ECLECTIC TRADING COMPANY
11	SCHULTZ PET SUPPLY LLC
12	JEETHO BUSINESS INC.
13	COPANO PIPELINES/UPPER GULF COAST LLC
14	NEW CINGULAR WIRELESS PCS LLC
15	CHEWY INC.
16	RESTORATION HARDWARE INC.
17	ANDERSEN DISTRIBUTION INC.
18	J RODRIGUEZ INC
19	WAVEMEDIA INC.
20	STRICKSCAPES INC.
21	HUSSMANN CORPORATION
22	CONSOLIDATED COMMUNICATIONS
23	AMAZON.COM SERVICES INC.
24	STOWE'S COLLISION REPAIR LLC
25	THE CRONIN GROUP LLC

\$10,000-\$17,000.00	1
\$5,000- \$9,999.99	2
\$1,000- \$4,999.99	22

Combined Total Local Taxes Filed: \$72,710.66

Utilizing data provided by the Texas Comptroller of Public Accounts, this list reflects the top 25 businesses remitting the highest local tax filings within the City, and represents 51.3% of the total sales tax refund for October.

Within the City of Montgomery's recent sales tax allocation are twenty-seven (27) businesses filed local taxes in excess of \$1,000.00. It is important to note that these taxpayers with returns over \$1,000.00 reflect 53% of the total monthly allocation, with combined filings of \$74,738.43.

Sales tax payers may file with the State on a monthly, quarterly, or annual basis, based on the amount of taxable sales. Each report lists the current and most recent months top 25 taxpayer reports. This allows for a review of quarterly to non-quarterly month sales tax filers.

September | October Top 25 Taxpayer Comparison

September 2018

1	KROGER TEXAS L.P.
2	BROOKSHIRE BROTHERS INC.
3	MCCOY CORPORATION
4	ENERGY TEXAS INC.
5	MELLANOX TECHNOLOGIES INC.
6	L & W SUPPLY CORPORATION
7	AZZIP ENTERPRISES INC.
8	YOUNG LIVING ESSENTIAL OILS LC
9	JIM'S HARDWARE INC.
10	O'REILLY AUTO ENTERPRISES LLC
11	CATERPILLAR FINANCIAL SERVICES CORP
12	DIRECTV LLC
13	CHEROKEE TEJAS LLC
14	ALLEYTON RESOURCE COMPANY LLC
15	HP INC.
16	HUSSMANN SERVICES CORPORATION
17	LUCKY START CORPORATION
18	KOLKHORST FOODS LLC
19	SKIPPER BEVERAGE COMPANY LLC
20	A & A PLANTS AND PRODUCE INC.
21	SCHULTZ PET SUPPLY LLC
22	RESTORATION HARDWARE INC.
23	CHEWY INC.
24	STEEL BUILDING SUPPLY INC.
25	LKQ BEST AUTOMOTIVE CORP.

Allocation: \$74,672.08
Non-Quarter Month

October 2018

1	MCCOY CORPORATION
2	O'REILLY AUTO ENTERPRISES LLC
3	JIM'S HARDWARE INC.
4	CATERPILLAR FINANCIAL SERVICES
5	CHEROKEE TEJAS LLC
6	TARA AUSTIN
7	DIRECTV LLC
8	KOLKHORST FOODS LLC
9	SKIPPER BEVERAGE COMPANY LLC
10	THE ECLECTIC TRADING COMPANY
11	SCHULTZ PET SUPPLY LLC
12	JEETHO BUSINESS INC.
13	COPANO PIPELINES/UPPER GULF COAST LLC
14	NEW CINGULAR WIRELESS PCS LLC
15	CHEWY INC.
16	RESTORATION HARDWARE INC.
17	ANDERSEN DISTRIBUTION INC.
18	J RODRIGUEZ INC
19	WAVEMEDIA INC.
20	STRICKSCAPES INC.
21	HUSSMANN CORPORATION
22	CONSOLIDATED COMMUNICATIONS
23	AMAZON.COM SERVICES INC.
24	STOWE'S COLLISION REPAIR LLC
25	THE CRONIN GROUP LLC

Allocation: \$72,710.66
Non-Quarter Month

Anyone who has been watching the news knows that electronic commerce is not only a permanent fixture in the shopping landscape, but is forcing the closure of many brick-and-mortar businesses across the United States. In order to address this, and provide you with a understanding of where the City receipts are derived from, SRI updates the inside/outside information monthly. This is verified using reports provided by the State.

Sales Tax Receipts by Business Type/Nexus Twelve Month Totals

During the past twelve months, 91% of all sales tax receipts received came from service providers that are charging the local sales tax to individuals within the City boundary, but whose physical tax office is located either out of the City limits or, in most cases, out of the State. These businesses have been reviewed and have been determined by the Comptroller of Public Accounts that they constitute a service which qualifies for charging the local tax.

In October 2018, a total of 58 businesses filed sales tax receipts from locations that are physically located within the City, the remaining 1,576 filings came from out of District goods and service providers.



This report is also used to compare against the physical canvass list.

Sales Tax Receipts 2014-Present

The City of Montgomery, Texas has received **\$24,618,235.84** in sales tax receipts since January 1, 1995.

The October allocation to be refunded to the City totals \$141,162.59.

Top 25 Sales Tax Categories in Montgomery, Texas

1	SUPER MARKET AND GROCERY SERVICES
2	CABLE AND OTHER TV SUBSCRIPTIONS
3	SPECIALTY BUILDING MATERIALS
4	AUTOMOTIVE SUPPLY
5	HYDRO ELECTRIC POWER
6	ELECTRONIC SHOPPING
7	HARDWARE STORES
8	WIRELESS TELECOMMUNICATIONS PROVIDERS
9	SOFTWARE PUBLISHERS
10	MOBILE FOOD SERVICE
11	RENTING OFFICE SPACE M&E / F&F
12	HOSTING DATA PROCESSING
13	CONSTRUCTION MATERIALS, SAND & GRAVEL
14	SOFTWARE REPRODUCTION
15	FABRICATED STRUCTURAL MANUFACTURING
16	MAIL ORDER HOUSES
17	COMMERCIAL PRINTING
18	WIRED/WIRELESS TELECOMMUNICATIONS
19	ELECTRONIC SHOPPING
20	WHOLESALE FURNITURE DISTRIBUTION
21	WHOLESALE DISTRIBUTION
22	RADIO TV BROADCASTING
23	INTERNET PUBLICATION
24	COSMETIC AND BEAUTY SUPPLIES
25	REAL-ESTATE LEASING

This list reflects the top 25 highest categories businesses use when filing sales tax. While there are hundreds of codes under which a business may report sales tax, SRI extracts the top 25 categories with the highest dollar amount received by the City.

The date range used is January 2017
October 2018.

Total Allocations: \$1,686,140.22

October 2018 | 2017 Comparison

Receipts of Sales Tax Were as Follows	October 2018*	October 2017
	\$141,162.59	\$125,361.52

**12.6% increase over 2017*

Total Sales Tax Allocations received	2018 FYTD*	2018 Budgeted	% of Budget
	\$2,439,451.93	\$1,810,800.00	134.72%

** FY 2018 Complete*

FY 2017 Total Allocations	FY 2016 Total Allocations	FY 2015 Total Allocations	2014 Total Allocations
\$1,889,285.60	\$1,867,030.18	\$1,699,926.42	\$1,688,374.26

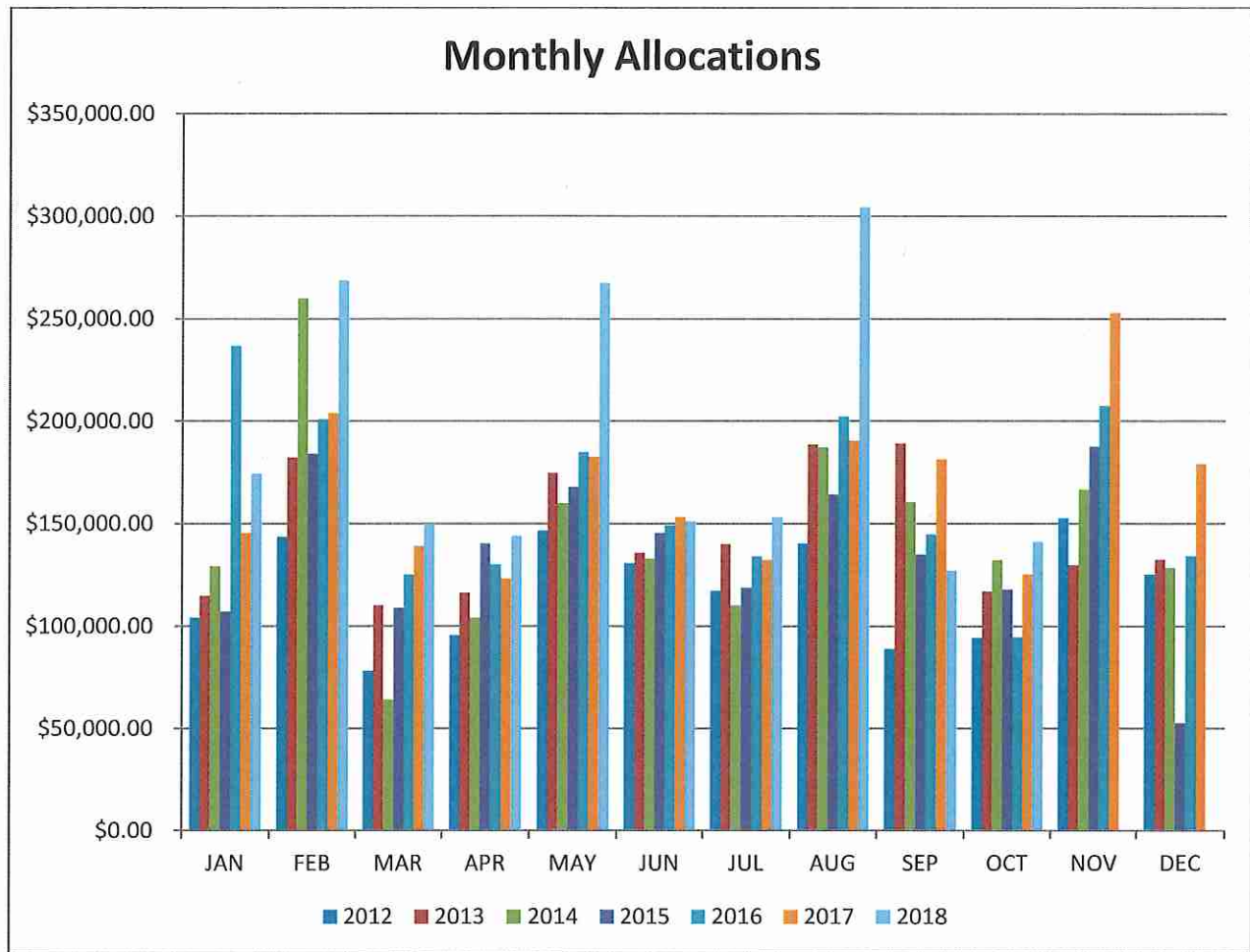
Total Allocations, 2014-Present
\$9,442,905.80

2014 is the date used since all sales tax is recoverable for up to four years

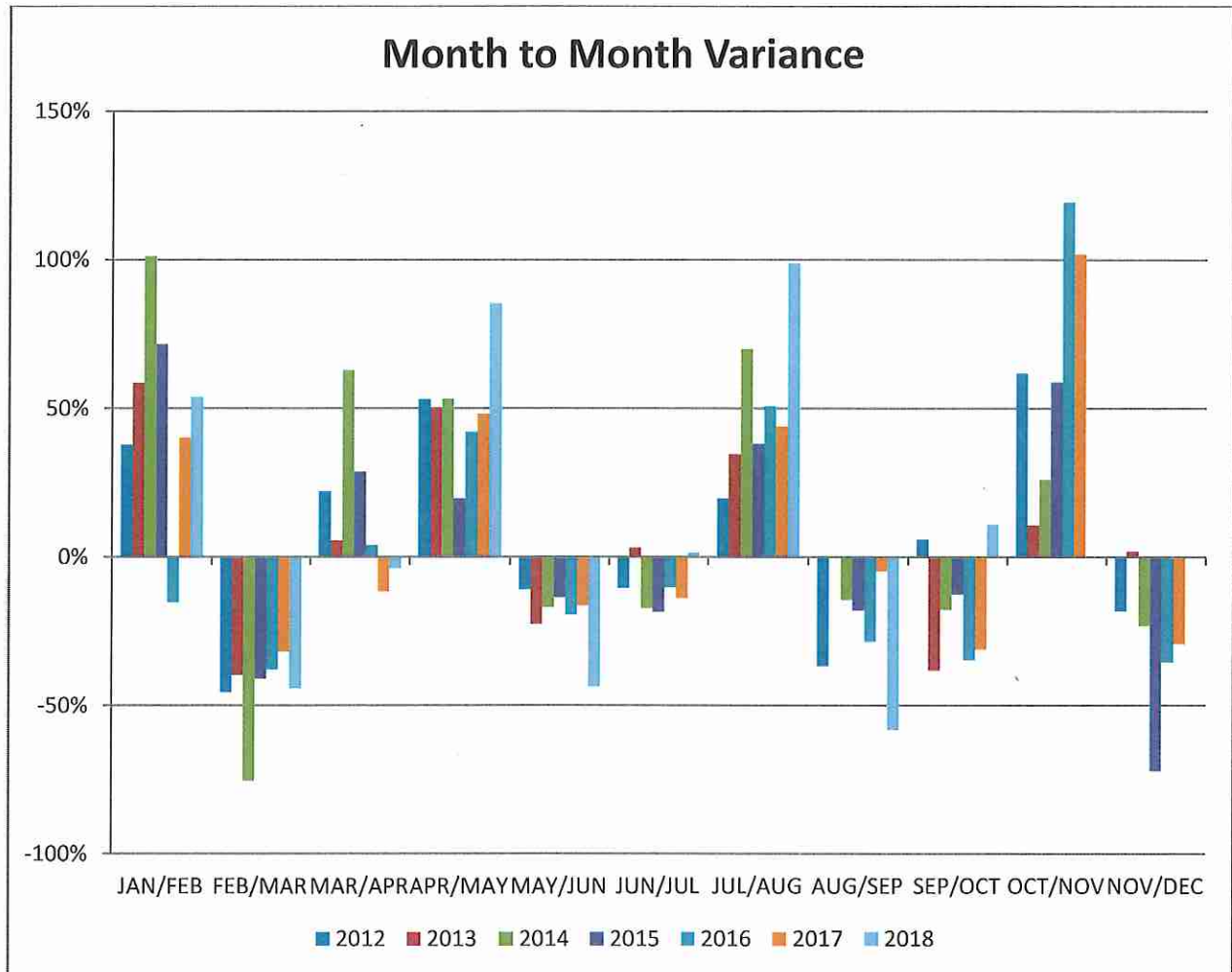
Calendar Year 2018 Sales Tax Averages		Calendar Year 2017 Sales Tax Averages	
Total: \$1,881,670.05		Total: \$2,010,498.09	
Mean Allocation:	\$188,166.40	Mean Allocation:	\$1167,541.08
Median Allocation:	\$152,113.50	Median Allocation:	\$166,332.00

**Tax Year (TY) refers to the actual months when sales tax is received for the sales tax calendar year. In this case, March 2018-February 2019 make up the annual receipts period. Recovery from a prior month or year may be received at any time.*

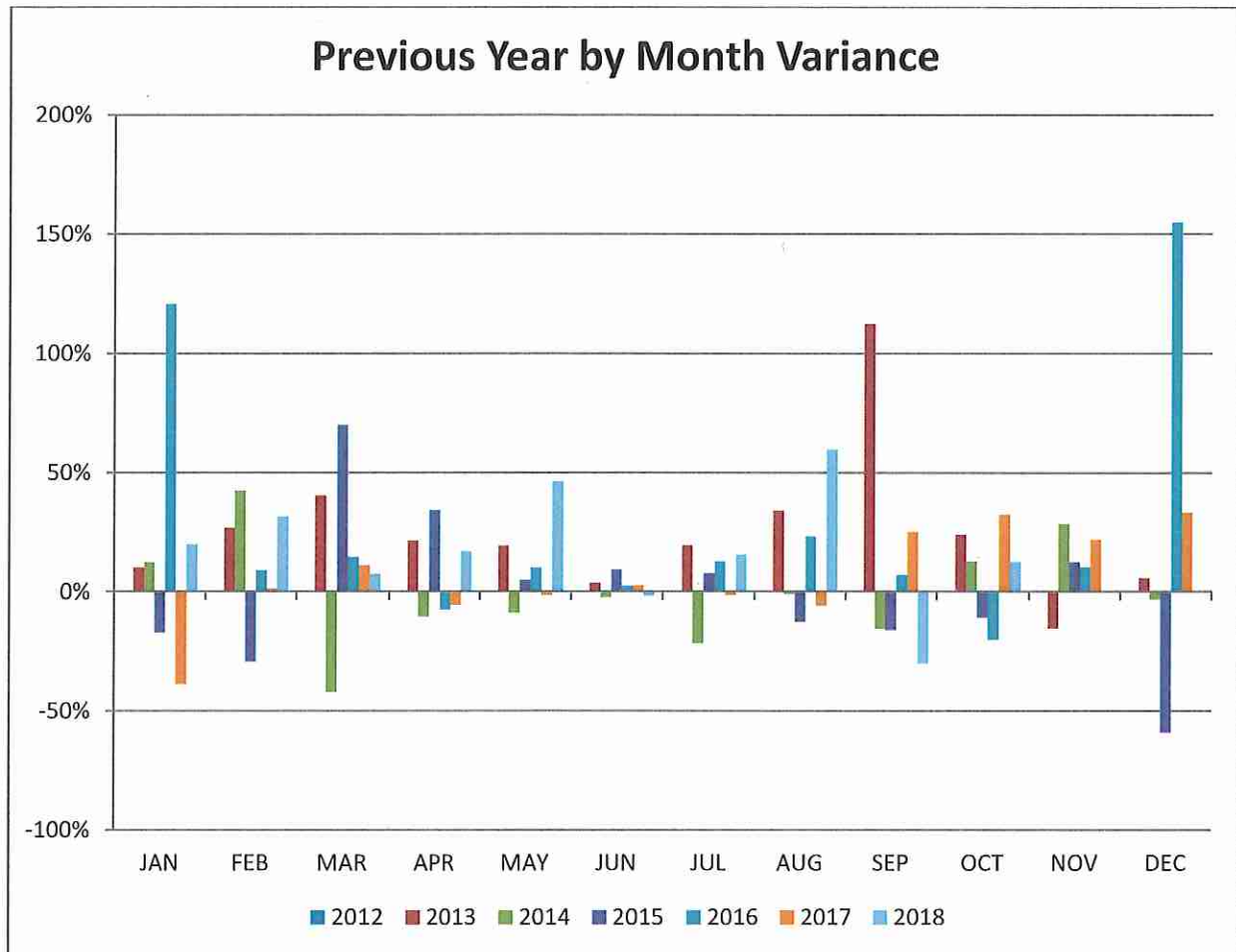
Graphical Models Follow on the Next Pages



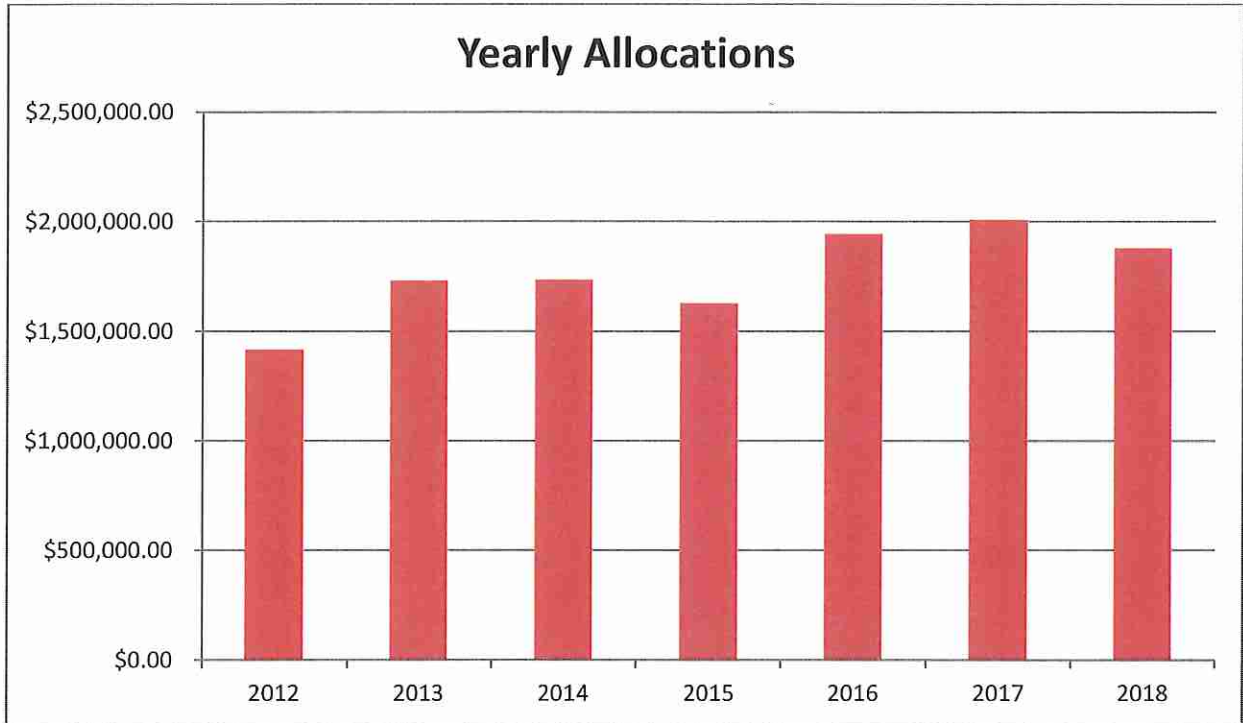
	2012	2013	2014	2015	2016	2017	2018
JAN	\$104,267.33	\$114,935.59	\$129,248.00	\$107,238.81	\$236,764.92	\$145,488.55	\$174,487.10
FEB	\$143,666.75	\$182,499.74	\$259,993.95	\$184,183.00	\$200,985.71	\$204,006.24	\$268,635.98
MAR	\$78,348.96	\$110,162.80	\$64,083.86	\$108,979.46	\$125,057.26	\$139,225.65	\$149,964.30
APR	\$95,743.30	\$116,374.93	\$104,356.47	\$140,275.54	\$130,098.69	\$123,234.01	\$144,205.61
MAY	\$146,558.47	\$174,982.13	\$159,966.95	\$168,012.24	\$184,955.47	\$182,757.15	\$267,397.74
JUN	\$130,712.15	\$135,704.57	\$133,026.37	\$145,485.26	\$149,145.60	\$153,336.53	\$151,071.81
JUL	\$117,230.68	\$140,092.14	\$110,188.27	\$118,871.30	\$134,137.44	\$132,394.32	\$153,156.83
AUG	\$140,536.67	\$188,704.14	\$187,363.72	\$164,234.26	\$202,380.82	\$190,648.43	\$304,422.57
SEP	\$89,077.76	\$189,403.11	\$160,524.07	\$135,004.07	\$144,903.50	\$181,625.33	\$127,165.52
OCT	\$94,399.86	\$117,219.70	\$132,291.80	\$118,139.09	\$94,652.13	\$125,361.52	\$141,162.59
NOV	\$152,797.88	\$129,854.70	\$166,880.00	\$187,778.09	\$207,611.58	\$253,111.48	
DEC	\$125,252.31	\$132,548.20	\$128,470.68	\$52,683.59	\$134,305.68	\$179,308.88	



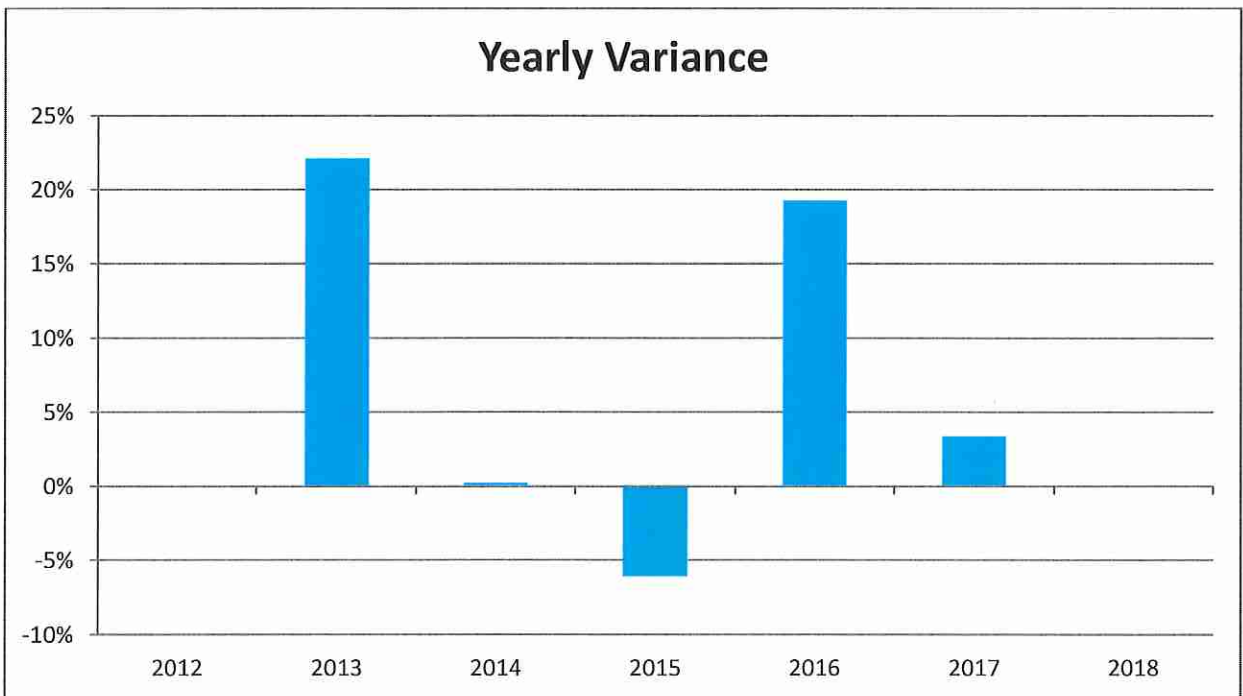
	2012	2013	2014	2015	2016	2017	2018
JAN/FEB	38%	59%	101%	72%	-15%	40%	54%
FEB/MAR	-45%	-40%	-75%	-41%	-38%	-32%	-44%
MAR/APR	22%	6%	63%	29%	4%	-11%	-4%
APR/MAY	53%	50%	53%	20%	42%	48%	85%
MAY/JUN	-11%	-22%	-17%	-13%	-19%	-16%	-44%
JUN/JUL	-10%	3%	-17%	-18%	-10%	-14%	1%
JUL/AUG	20%	35%	70%	38%	51%	44%	99%
AUG/SEP	-37%	0%	-14%	-18%	-28%	-5%	-58%
SEP/OCT	6%	-38%	-18%	-12%	-35%	-31%	11%
OCT/NOV	62%	11%	26%	59%	119%	102%	
NOV/DEC	-18%	2%	-23%	-72%	-35%	-29%	



	2012	2013	2014	2015	2016	2017	2018
JAN	N/A	10%	12%	-17%	121%	-39%	20%
FEB	N/A	27%	42%	-29%	9%	2%	32%
MAR	N/A	41%	-42%	70%	15%	11%	8%
APR	N/A	22%	-10%	34%	-7%	-5%	17%
MAY	N/A	19%	-9%	5%	10%	-1%	46%
JUN	N/A	4%	-2%	9%	3%	3%	-1%
JUL	N/A	20%	-21%	8%	13%	-1%	16%
AUG	N/A	34%	-1%	-12%	23%	-6%	60%
SEP	N/A	113%	-15%	-16%	7%	25%	-30%
OCT	N/A	24%	13%	-11%	-20%	32%	13%
NOV	N/A	-15%	29%	13%	11%	22%	
DEC	N/A	6%	-3%	-59%	155%	34%	

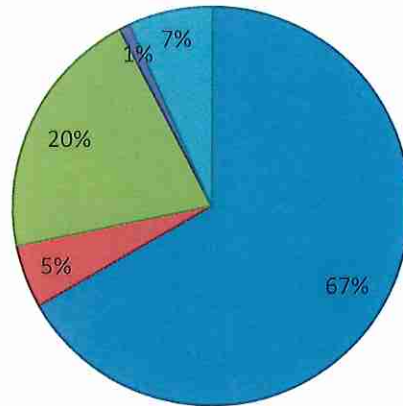


TY 2012	TY 2013	TY 2014	TY 2015	TY2016	TY2017	TY2018
\$1,418,592.12	\$1,732,394.14	\$1,736,394.14	\$1,630,884.71	\$1,944,998.80	\$2,010,498.09	\$1,881,670.05
N/A	22%	0%	-6%	19%	3%	



Business Entity Breakdown

Total: 234



■ Tax ID ■ Not Charging ■ Not Taxable ■ Occupied ■ Vacant

File Sales Tax	Service Only	Not Taxable	Occupied	Vacant
156	12	48	2	16

Montgomery City Council
AGENDA REPORT

Meeting Date: October 29, 2018	Budgeted Amount:
Prepared By: Jack Yates City Administrator	Exhibits:
Date Prepared: October 23, 2018	

Subject

This is to discuss in Executive Session a report from the by the City Administrator about the hiring of a Director of Marketing and Tourism as a city employee.

Description

After consultation with the City Attorney--- This is an Executive Session where I will report to you what I propose to do about the hiring of the Marketing and Tourism position. During the Executive Session you can make your comments to me about my selection, but you cannot, according to Open Meeting Laws, make a decision during the Executive Session or tell me, individually, who you want me to select. You can tell me if I am in the right direction with my selection. That is the direction that I want to receive as I do not want to hire anyone that you would not feel all right about.

We cannot circulate resumes in the Executive Session, as any such documents given during Executive Session are open to the Open Records – however, I can describe to you the applicant’s background and can, if desired, read the entirety of the resume.

So, when you come out of Executive Session the motion should be to direct the City Administrator to promptly select and hire a Director of Marketing and Tourism.

Recommendation

Have the Executive Session, but make no decision in the Session.
Motion to direct the City Administrator to promptly select a person for the Director of Marketing and Tourism.

Montgomery City Council
AGENDA REPORT

Approved By		
City Administrator	Jack Yates	Date: October 23, 2018