

MINUTES OF REGULAR MEETING

January 20, 2020

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss - President
Julie Hutchinson - Treasurer
Amy Brown – Secretary
Tom Cronin – Board Member
Arnette Easley – Board Member
Dan Walker – Board Member

Absent: Bob Kerr – Board Member

Also Present: Richard Tramm – City Administrator
Dave McCorquodale – Assistant to the City Administrator

OPEN PUBLIC COMMENT

No public comment.

APPROVAL OF MINUTES

Minutes of December 16, 2019 Regular Meeting –

President Huss asked for comments on the minutes as presented. Mrs. Huss made a motion to accept the minutes as presented, seconded by Mr. Cronin. All in favor. (6-0)

MONTHLY FINANCIAL REPORT

Report for December 2019

Mrs. Hutchinson said the first fiscal quarter sales tax funds from the City was received as was deposited into the Texpool account. A transfer was made from the Texpool account into the checking account in order to pay the Kroger sales tax rebate.

Mrs. Hutchinson noted the debt service, the sales tax reimbursement and the administration transfers to the General Fund should be accrued on a quarterly basis, and this should be corrected in January.

Mrs. Hutchinson reminded the Board the sales tax reimbursement was being booked on a cash basis and there was discussion of accruing them in the future like the debt transfers. At the end of last fiscal year, the EDC booked and accrued the entire year of sales tax reimbursement that looked like a double booking. The bookkeeper, instead of posting to the accrual account, posted as an expense. Mrs. Hutchinson said that is another item to correct.

Mrs. Hutchinson stated during the November meeting, the EDC approved a \$3,000 grant for blight removal for Montgomery County United. That invoice should be given to the bookkeeper soon.

Mr. Tramm said the invoice was in the City file and will be moved over to the EDC file.

Mrs. Hutchinson said the Bancorp South CD will be maturing on January 28th. This is a twelve-month CD containing \$150,000. Mrs. Hutchinson asked the bookkeeper for the current rates. Mrs. Hutchinson was told Bancorp does still have the best rate, but the current rate is lower than the rate the CD currently is receiving. She said the EDC may wish to have a discussion on renewing the CD at a rate which is not much higher than Texpool's rate and having the money tied up for twelve months, or moving the money to Texpool which is a liquid account.

Mrs. Huss asked for comments from the Board.

Mr. Easley asked Mrs. Hutchinson for the difference in the rates.

Mrs. Hutchinson said the renewal with Bancorp South would give the CD a rate of 2.06, and Texpool is currently 1.68.

Mrs. Huss said the rate difference is approximately 0.4%, plus the money is not immediately available with penalties if withdrawn early.

Mrs. Hutchinson said the EDC has the option of moving the money temporarily into Texpool until rates increase.

Mr. Tramm noted Texpool is a state approved fund allowed for government investment.

Mrs. Huss said she would rather follow Mrs. Hutchinson's recommendation to move the funds into Texpool.

Mr. Cronin asked if the Board needs to take action on the item.

Mrs. Huss said she believes the Board does not need to take action, but simply direct Mr. Tramm to have the bookkeeper roll the CD into the Texpool account.

There was no disagreement from the Board.

Mrs. Hutchinson asked Mr. Tramm about an account named Due from Home Grants. Mrs. Hutchinson said last year some grants were received that MEDC paid. She stated it is her understanding the City is to reimburse the EDC for those funds.

Mr. Tramm said those were certain lien expenditures and the City wrote "a couple more checks" to cover the closings. He said once those home sales close, the City will be reimbursed for their funding, then the City will reimburse the EDC.

Mrs. Huss asked for Mr. Tramm to stay in touch with the bookkeeper and Mrs. Hutchinson to assure actions are performed correctly and in a timely manner.

Motion by Mrs. Hutchinson, seconded by Mrs. Huss to approve the December 2019 Financial Report pending the first quarter accrual of \$40,000 to the Transfer to Debt Service, the first quarter accrual of \$19,875 to the Sales Tax Reimbursement account, the reclassification of the sales tax payment to Kroger against the accrual that was booked at the end of last fiscal year, and the \$26,875 accrual for the administration transfer to the General Fund. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION

5. Presentation by the Historical Society related to future funding request.

Chery Fox, from the Historical Society, introduced Brenda Beaven, the Recording Secretary for the Montgomery Historical Society.

Ms. Beaven presented a visual slideshow of the properties owned by the Historical Society, the cost of maintaining the properties, as well as the income and expenses of the Christmas Tour.

Ms. Beaven spoke on possible future collaborations between the Montgomery Historical Society and the City such as installing historical markers, cleaning existing historical markers, brochures, and possible maintenance of a tree hanging over the museum.

Mrs. Fox said the Historical Society is asking for \$7,000 to keep the grass mowed and address the issue of the tree hanging over the museum.

Mrs. Huss reminded Mrs. Fox the item on the agenda is just the presentation so the Historical Society will need to return at a later time with a grant request.

Mrs. Huss asked if any Board members had questions for the Historical Society representatives.

Mrs. Brown asked where the Historical Society receives its funding.

Ms. Beaven said the income presented in the slideshow represented the funding.

Mrs. Brown asked about the leases on the Historical Society's buildings including the Post Office and the Old Baptist Church.

Ms. Beaven said the Historical Society does receive lease payments and directed the question to Bea Rouse.

Mrs. Rouse said the Post Office leases for \$800 per month. She stated the owner of Modern Farmhouse who leases the building has "put aside some space in the back" on "the McCown side we have some Texas and Montgomery related items that I buy, and we put them there to sell to the public, and we probably bring in \$300 or so a month in profit."

Mrs. Brown asked about the lease on the Old Baptist Church.

Mrs. Rouse said the Historical Society does receive rental income from the church but she is unaware of the amount.

Mrs. Brown asked if the Historical Society also owns the property under Southern Roots hair salon.

Mrs. Fox said no.

Mrs. Huss said the Appraisal District's website says that it is owned by the Montgomery Historical Society.

Mrs. Beaven said she believed the Historical Society did a long-term lease on that property for a minimal amount.

Mrs. Hutchinson asked, in relation to the Christmas Tour, "if the cookies are donated and [the Historical Society] receive[s] the proceeds, what are the expenses?"

Mrs. Beaven responded the posters and advertisement.

Mrs. Brown asked if the Historical Society receives funds from the Cookie Walk and the vendors.

Mrs. Beaven said that income is included in the \$13,406 gross income for 2018.

Mrs. Hutchinson said she was not on the MEDC Board in 2018 and asked if the Historical Society applied for a grant, because their spreadsheet shows no MEDC involvement for that year.

Mrs. Fox said the Historical Society presented a request but was rejected.

Mrs. Huss said the meeting minutes say "the funds the Historical Society raises are for things the EDC do not support including scholarships."

Mrs. Hutchinson asked if the Historical Society restructured their request would the request then fall under the EDC's guidelines.

Mrs. Huss said it is possible but the problem with longevity also arises. She said the External Festival Guidelines state festivals over a certain period of time need to be self-sustaining.

Mr. Easley asked if the Historical Society has tried applying for grants.

Ms. Beaven said "on the Baptist Church, we did go for a grant on that and were given half of it."

Mrs. Rouse said the Historical Society does have another small source of income where people donate occasionally at the museum.

Mrs. Beaven said the Historical Society also receives money from tours such as one she is planning in February.

No action taken.

6. Update and discussion on contract status with Southern Rum Runners.

Mr. Tramm said he has had continuing discussions with Southern Rum Runners and has received a proposed map area for the festival.

Mr. Tramm reminded the Board of previous Board discussions and the approval of \$7,800 to be paid by the EDC upfront with funds returned to the EDC based on ticket sales. Mr. Tramm said the breakeven point for the EDC would be the sale of 1,800 ticket sales. Any ticket sales over that amount would result in profit for the EDC.

Mr. Tramm said Southern Rum Runners had a concern with the March timeline and asked to move the event to the second weekend in May. Mr. Tramm said the new date is reflected in the proposed contract.

Mr. Tramm said Southern Rum Runners wishes to come back to the EDC to update the Board.

In response to a question by Mrs. Hutchinson on the base number of tickets needed before the EDC begins recouping funds, Mr. Tramm said 1,000 ticket sales are needed to initiate the repayment of EDC funds.

No action taken.

7. Consideration and possible action regarding downtown revitalization.

Mr. Tramm presented the Board with a map of the downtown area that outlines the proposed revitalization zone. Mr. Tramm said this was not a final map, but just for discussion purposes.

Mrs. Huss reminded the Board that during the student discussion she asked a question concerning a proposed island in the middle of 149 on the north side of the downtown area. She was interested in this proposal for the purpose of naturally slowing down traffic due to visual perceptions.

Mr. Walker asked if sidewalks were being considered from the downtown area to Jim's Hardware.

Mr. Tramm said it had been discussed as mobility options. Mr. Tramm also noted there are grant programs which help communities pay for sidewalks for certain reasons.

Mrs. Huss mentioned the Board had discussed, during the workshop, standardizing items which could be done on an ongoing basis that doesn't require large bids. She explained sidewalk sizes, for example, should be consistent throughout the revitalization zone.

Mrs. Huss suggested the target area be amended by moving the southern border to include the school south of 149. She said this may help with the grant applications.

Mr. McCorquodale said sidewalks to schools have a 100% match by TxDot if they are within a two-mile radius of a school. TxDot has a Transportation Alternatives grant which is an 80/20 match which covers more than just sidewalks to schools.

Mr. Easley said Highway 149 coming into Montgomery from the North should be the most attractive section in town. He said he believes "you can't clean up one area... when the rest of the area looks horrible." He said Montgomery needs beautification in all four corners, not just one area. Mr. Easley suggested the City send letters to property owners to clean up their properties to improve the appearance of properties on the north part of town.

Mrs. Hutchinson asked what authority the City has over private property.

Mrs. Huss said that is more of a City function. She said the EDC does not have any jurisdiction in those matters.

Mr. Tramm said he would be happy to look into the issue and report back in February.

Mr. Easley restated the beautification should be about the city at large and not only one section.

Mrs. Huss said the EDC does not have the funds to take on the whole city, and the plan is to start at the core and radiate out on things that the Board can change. Mrs. Huss continued by saying, as a City Councilperson, she is hesitant "to use the power of government to bully people who are less fortunate and less politically powerful than [herself]."

Mr. Easley suggested sending a letter to homeowners asking them to be a part of the beautification of Montgomery by improving and cleaning their properties.

No action taken.

8. Consideration and possible action to sponsor Montgomery Mudbugs and Music Festival to be held on March 21, 2020.

Mr. Tramm said he met with Charlie Diggs Entertainment Promotions last week. He said they are interested in having a Montgomery Mudbugs and Music Festival on March 21, 2020, to be held on or near the Ransom's property.

Mr. Tramm said the festival would end by 10:00 p.m.

Mr. Tramm said Charlie Diggs Entertainment Promotions organized the Anderson Christmas Festival and sold 2,200 tickets. CDEP anticipates the Montgomery festival to sell more tickets due to the fact Montgomery is closer to larger populations than Anderson.

Mr. Tramm said sponsorship by MEDC of up to \$8,000 would have the money funneled back into the city by covering expenses from the city or city personnel, such as Montgomery Public Works Department support and off-duty law enforcement.

Mr. Tramm said the reach of attendee spending at festivals overflows into other areas of town.

Mr. Tramm said he believes this is a good opportunity for an outside organization to take the primary financial risk and put on an event somewhere other than downtown.

Mr. Walker said if people come to town and are treated well, they will come back.

Mrs. Hutchinson said, from a financial perspective, the EDC has \$35,000 budgeted for events.

Mr. Cronin said he was hesitant to spend public funds for a privately owned organization without a detailed budget.

Mrs. Huss suggested the money go into escrow until CDEP presents the EDC with an invoice showing city expenses.

Mr. Tramm said the EDC can specify the funds be paid as reimbursement for city co-marketing, city Public Works and city Police security personnel.

Motion by Mr. Cronin, seconded by Mrs. Brown to approve sponsorship for the Montgomery Mudbugs and Music Festival to be held on March 21, 2020, not to exceed \$8,000, with the money to be earmarked for expenses that utilize city personnel, such as Public Works, Police Department and city social media advertising. All in favor. (6-0)

DISCUSSION

Mrs. Huss asked Mr. Tramm to inform Mr. Diggs of the External Festival Guidelines and have them comply with provisions such as marketing.

9. Economic Development Report – Richard Tramm

- a. City Administrator's Development Report – Copy of report provided
- b. City Engineer's Report – Copy of report provided

10. Consideration and possible action on MEDC Annual Meeting Items:

a. Report of 2019 Activities and Goals

Mr. Tramm stated on the list are twelve categories and the amount of money budget for each category. He stated some funds, such as the internship program will end up not being utilized.

He explained that through the course of a year, attentions get redirected, such as the City lost it's Marketing and Tourism Director and The Wheat and Wine Festival being cancelled.

Mr. Tramm noted the EDC was very active throughout the year.

b. 2020 Planning Items and Goals

Mr. Tramm stated staff has listed some preliminary goals for 2020, but asks the Board for direction and suggestions.

Mrs. Huss said she does not anticipate any utility extension projects for 2020 as noted in item #2. Mrs. Huss said those type of projects have not been attempted in the past, but the Board may want to consider purchasing land and rolling out utilities in areas the City wishes to develop. Mrs. Huss said such projects could kick start other development and produce primary jobs.

Mrs. Hutchinson asked what was done in 2017-2018 where the EDC spent \$142,000 on utility extensions.

Mrs. Huss said she believed it was the water line extension to McCoys. She said she thinks it was a water line upgrade which came before the EDC.

Mrs. Brown that item did not come before the EDC Board for a vote, but instead was agreed upon by the former Board President without Board approval.

Mr. Walker asked if the major corridors would be the only places that would be beneficial to invest.

Mrs. Huss said currently that would be the case.

Mr. Walker asked if the utilities are already present up along Lone Star Parkway.

Mrs. Huss said "Strangely, no they are not on Lone Star Parkway." She noted "a small problem with the outside of Lone Star Parkway in that [the City doesn't] own the water rights."

Mr. Walker asked what type of development would be necessary to try to get heavy truck traffic of 149 that is coming into town on the Southside.

Mrs. Huss said the City would have to spend money on the roads to upgrade them to TxDot standards which would cost around ten million dollars.

Mr. Easley stated he believed the Loop was part of the new mobility plan.

Mr. McCorquodale said it is part of the County's mobility plan as well as the City's mobility plan.

Mrs. Huss said in terms of investment to the city, getting water around Lone Star Parkway is beneficial.

Mrs. Huss said she believes the EDC's primary goal for 2020 should be the downtown revitalization project.

Mr. Tramm said there will be utility extensions associated with that project. He stated there will be drainage issues, undersized water lines, and other issues that will need to be addressed.

c. Annual Financial Report

Mr. Tramm provided a comparison of actual budgets from 2017-2018, 2018-2019 and the adopted budget from 2019-2020.

Mrs. Huss explained the annual meeting was moved from September to January in order for new Board members to be able to participate, since Board members are appointed in December.

Mrs. Hutchinson said the report lists actual sales tax revenue for 2018-2019 as \$690,632 which appears to be high. Mrs. Hutchinson said when she added the figures from Mr. Tramm's Sales Tax Collection Report, the actual should have been \$663,216. She said she is not sure where the discrepancy is located. Mrs. Hutchinson asked if she could meet with Mr. Tramm at a later date to clarify the numbers.

Mr. Tramm said there was an overpayment of approximately \$400,000 received by the City from a business that is not located in the city. Mr. Tramm said the business has yet to figure out the money was paid incorrectly. The City of Montgomery is holding the money, identified separately, in order to forward it to the correct recipient. The City of Montgomery has notified the State of Texas.

Mr. Tramm also noted, regarding sales tax, this fiscal year was budgeted based on estimating the sales tax to be collected would be equal to what was actually collected in the previous year. Mr. Tramm said this was a conservative approach, but expects the figures to be higher than estimated.

d. Election of Officers

i. President

Mrs. Huss was nominated by Mrs. Brown, second by Mr. Walker.

All in favor. (6-0)

ii. Secretary

Mrs. Brown was nominated by Mrs. Hutchinson, second by Mrs. Huss.

All in favor. (6-0)

iii. Treasurer

Mrs. Hutchinson was nominated by Mrs. Brown, second by Mrs. Huss.

All in favor. (6-0)

iv. Vice President

Mr. Easley was nominated by Mr. Walker. Motion dies for lack of a second.

Mr. Walker was nominated by Mr. Easley, second by Mr. Cronin.

All in favor. (6-0)

BOARD INQUIRY

Mrs. Brown asked Mr. Tramm to clarify who owns Cedar Break Park and Homecoming Park.

Mr. Tramm said the City owns the parks. Mr. Tramm stated, in regard to Cedar Break Park, until very recently there was another group who has turned over their assets to the City. The City maintains Cedar Break Park. Mr. Tramm said with regards to Homecoming Park, the City owns the park and is responsible for the maintenance.

Mrs. Brown asked if there are any groups in the city that beautify the parks or are they simply maintained as they are.

Mr. Tramm said Memory Park has a group who does work in addition to the City. Cedar Break Park has had a group install a library box.

Mrs. Huss said Memory Park and Fernland each have a 501c3 that work in conjunction with the City to raise funds to operate those parks.

Mrs. Brown said the two community parks, Cedar Break and Homecoming, do not have any groups who beautify or improve them. Mrs. Brown said she sees a need for those two parks to have some "TLC" put into them. She said those parks are used a lot and there is so much which could enhance them.

Mrs. Brown said an example would be the sand volleyball court is always dirty and needs to be removed and replaced with something else. She said the people she sees at the parks are parents and very small children. She said the City has teenagers who could benefit from basketball courts in both parks.

Mr. Easley said there is a basketball court at Homecoming Park.

Mrs. Brown said that court could be improved greatly.

Mr. Tramm said in the next couple of weeks there will be a Parks Commission recommended to City Council that will have several volunteers to make recommendations to the City.

Mrs. Huss said the comprehensive plan will enable the City to apply for grants for park equipment.

ACTION ITEMS FROM DECEMBER MEETING

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


ACTION ITEMS FOR FUTURE MEETINGS

<i>ACTION ITEM</i>	<i>ASSIGNEE</i>	<i>DUE DATE</i>
Move Bancorp CD funds into Texpool	Tramm	
First quarter accrual of \$40,000 to the Transfer to Debt Service	Tramm	
first quarter accrual of \$19,875 to the Sales Tax Reimbursement account	Tramm	
reclassification of the sales tax payment to Kroger against the accrual that was booked at the end of last fiscal year	Tramm	
\$26,875 accrual for the administration transfer to the General Fund	Tramm	
Jurisdiction for improving private property in relation to city beautification	Tramm	

ADJOURNMENT

Motion by Mrs. Hutchinson, seconded by Mr. Easley to adjourn the meeting at 8:21 p.m.

All in favor. (6-0)

Submitted by:  Date Approved: 02/17/2020
Amy Brown, MEDC Secretary




Rebecca Huss, MEDC President