

MINUTES OF REGULAR MEETING

August 15, 2022

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

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

Present: Rebecca Huss - President
 Byron Sanford – Board Member
 Carol Langley - Treasurer
 Jeff Angelo – Board Member
 Dan Walker – Board Member
 Wade Nelson – Board Member

Absent: Ryan Londeen - Secretary

Also Present: Mike Muckleroy, Public Works Director

OPEN PUBLIC COMMENT

No public comments were made.

APPROVAL OF MINUTES

1. Consideration and possible action regarding the Minutes of the Regular Meeting Minutes of June 20, 2022.

Motion to approve the minutes of June 20, 2022, was made by Byron Sanford and seconded by Jeff Angelo. All in favor. (6-0)

APPROVAL OF FINANCIAL REPORT:

2. Consideration and possible action regarding the MEDC Financial Report.

Carol Langley said June's sales tax was \$84,813.38 with an interest rate of 1.37 percent and July's sales tax was \$126,665.96 with interest on the TexPool accounts of 2.12 percent.

Carol Langley said she did not see anything unusual that was paid out or needed to be brought to anyone's attention.

Rebecca Huss said she just signed a wire transfer for \$750,000 from the checking account to the TexPool account.

Motion to approve the Financial Report was made by Jeff Angelo and seconded by Dan Walker. All in favor. (6-0)

CONSIDERATION AND POSSIBLE ACTION:

3. Presentation by Mr. Charlie Diggs of proceeds from the Montgomery Music & Mudbugs Festival by Charlie Diggs Entertainment.

Mr. Diggs said they had 3,800 in attendance, somewhat less than last year.

Rebecca Huss said there were some comments made about parking and traffic. Rebecca Huss said she was working with the Lions Club on parking until 7:00 p.m. and only saw four or five cars come from the downtown area. Rebecca Huss said everyone else came from CB Stewart and everyone stayed within the two parking areas. Rebecca Huss said it worked out very well and she was not sure what the comments were from people who said there was too much traffic because it was all on SH-105.

Dan Walker asked if they still have access to the two fields that were used. Mr. Diggs said the one field in front they are eager to sell now and Ransom's sold the other field across the street from them. Mr. Diggs said they can still use the southwest field for this upcoming event. Mr. Diggs said the police department said they did not have any parking issues. Rebecca Huss said it works well having a group in charge of parking instead of having it be a free for all. Rebecca Huss said it was very well done.

4. Consideration and possible action regarding sponsorship of the Montgomery Fall Festival.

Mr. Diggs said it will be the same as last year, but there will need to be some adjustments made. Mr. Diggs said he has not spoken with the steakhouse yet and mentioned using the lot on Clepper Street. Mr. Diggs said once they receive that information, they will let them know.

Jeff Angelo asked where the festival will be located. Mr. Diggs said he wanted to see what everyone thought because he thinks it is possible to have it on the property next to the school. Mr. Diggs said he knows there are mixed emotions as some of the business owners want to have the event downtown and others do not. Mr. Diggs said he wants to do what makes everyone happy. Jeff Angelo asked what date he is considering for the event this year. Mr. Diggs said October 8th. Mr. Diggs said his goal is to meet with business owners on Wednesday to see what their preferences are. Jeff Angelo asked if the parking would remain the same by Longview Golf. Mr. Diggs said yes, last year they had hay rides from there down to the festival. Jeff Angelo asked how many people can fit into that particular space. Mr. Diggs said around 3,000 to 3,500. Jeff Angelo asked if the vendors would be located in the parking lot where the school administration building is. Mr. Diggs said right now he would like to keep it downtown. Mr. Diggs said the issues on his end are staging and buses. Jeff Angelo asked if he has it downtown would the stage be set up where it is now or would he go through Jacobs lot. Mr. Diggs said last year they had it in the center and where it would be again this year. Jeff Angelo asked if his preference was downtown. Mr. Diggs said he likes the atmosphere downtown but also does not want to upset anyone. Mr. Diggs said two businesses were not on board, but the remaining businesses loved it. Jeff Angelo said he thinks they should keep the event where it was last year because people now know where it is. Dan Walker said you will not be able to make everyone happy. Mr. Diggs said it is a fall festival atmosphere and that is what he wanted.

Byron Sanford asked if they could give Mr. Diggs complete access to all the businesses so he can specifically address them. Rebecca Huss said they cannot as it is more of a private sector. Rebecca Huss said she thinks that is something Mr. Diggs can do well on his own.

Jeff Angelo said he thinks if Mr. Diggs is proactive this time he will have a much better response. Rebecca Huss said she thinks he was proactive last time but thinks the big difference is one of the unhappy businesses was the steakhouse and what was agreed upon was either not clear or had changed after the agreement. Rebecca Huss said having everything in writing will be important. Jeff Angelo said he thinks the steakhouse will be fine and Wine & Design too, as Mr. Diggs just needs to have a discussion with them. Mr. Diggs said knowing those businesses have issues, those will be the first people he approaches and asks what they want him to do to make them happy so everyone is happy. Jeff Angelo said he thinks that is a good approach.

Rebecca Huss said on Mr. Diggs's application he did not include a dollar amount and believes last year Mr. Diggs was asking for \$8,000.00. Rebecca Huss asked Mr. Diggs if that was the same amount for this year. Rebecca Huss said she believes that is the amount paid in security costs as well. Mr. Diggs said he paid a bit over that amount.

Motion was made to approve the sponsorship of the 2022 Montgomery Fall Festival as stated in item three for \$8,000.00 by Byron Sanford and seconded by Dan Walker.

Rebecca Huss commented this will be taken from the 2022-23 budget.

Carol Langley said the communication needs to be more precise this year due to some of the problems from last year. Mr. Diggs asked who the contact person will be this year. Rebecca Huss said our code enforcement officer. Rebecca Huss said Mr. Diggs's responsibility will be the festival permit which comes from the City and the food vendor permits that the City issues.

All in favor. (6-0)

5. Presentation by Mid-South regarding internet service for the city and surrounding area.

Mr. William Bond, Fiber Sales Manager, and Ms. Stacey Forgason, Communications Manager with MidSouth gave their presentation. Ms. Forgason said there is a difference between MidSouth Fiber Internet and many other internet services in the area. Ms. Forgason said one is MidSouth Fiber Internet is owned by MidSouth Electrical Co-op and there is a difference

when it comes to co-ops. Ms. Forgason said MidSouth, member-owned by community members has been around for over 80 years and was originally established by local residents.

Ms. Forgason said their fiber internet service is based on the same service they provide for electricity. Ms. Forgason said they are subscriber focused. Ms. Forgason said one example is when Covid-19 hit they had started putting in fiber to the areas where they already serviced electricity but it became quickly apparent they had some areas within their communities that did not have access to reliable high-speed internet. Ms. Forgason said what was originally supposed to be a five-year project, their employees turned into a two-year project. Ms. Forgason said the same people who developed that infrastructure three years early also now service their businesses on fiber internet.

Mr. Bond said their business customers have access to priority status service which means if there are bulk outages in the area, businesses will take precedence over anyone else. Mr. Bond said the 24/7 support is also a huge advantage, whereas a lot of the other internet providers in the community will have customers wait until the next day or until someone can arrive in the area. Mr. Bond said with 24/7 support if the issue cannot be resolved over the phone, a technician will be on the road usually within 45 minutes. Mr. Bond said they like to pride themselves on their service and reliability.

Mr. Bond said they provide a free business package for small businesses and they also offer custom solutions.

Ms. Forgason said they are subscriber focused and they want to reiterate this just in the fact their operations are designed with their consumers in mind. Ms. Forgason said the reason being is their consumers are their owners.

Mr. Bond said they currently provide 100mbps, 500mbps, and 1gbps business packages with all of the packages including 24/7 support.

Ms. Forgason said MidSouth does not throttle speed as is common practice with internet providers. Ms. Forgason said this means when you reach maximum data the speed begins to slow down, but this is not the case with MidSouth. Ms. Forgason said they established this

fiber infrastructure with state-of-the-art equipment and have implemented everything top of the line.

Rebecca Huss asked if MidSouth is the maintenance provider that services the City's electric wires. Mr. Bond said not if electricity is provided through Entergy. Mr. Bond said there is no service territory with fiber unlike electric territories such as with Entergy. Mr. Bond said they have plans to build out but it is a matter of financials, feasibility studies, and time. Rebecca Huss asked if there is a time frame in mind. Mr. Bond said not at the moment.

Dan Walker asked when MidSouth goes into another extra-territorial jurisdiction do they share a line or are they having to run their own service. Mr. Bond said they run their own service. Dan Walker asked if they have television service. Mr. Bond said no just internet and phone service.

Jeff Angelo asked how many customers MidSouth currently has. Mr. Bond said they are very close to approaching 10,000 customers. Jeff Angelo asked if this is the same company as MidSouth Electric. Mr. Bond said MidSouth Electric is the parent company and MidSouth Fiber is a subsidiary.

Jeff Angelo said he was checking on Google and with 53 reviews and 1.7 stars there were a lot of comments made stating they would like to give MidSouth Electric zero stars. Jeff Angelo said service is a big issue and when he sees these kinds of numbers it is not acceptable. Jeff Angelo asked what is going to be different with the internet service department as opposed to the electric service department of MidSouth that they are not providing. Ms. Forgason said before the recent spike in natural gas prices their Google numbers were not so low on the electric co-op side. Ms. Forgason said on their social media platforms there is a small portion of people who are very unhappy that natural gas prices increased. Ms. Forgason said it was then perceived that MidSouth raised its rates and MidSouth has not raised its rates in over a decade. Jeff Angelo said with as many customers as MidSouth has there are going to be folks who are not happy. Jeff Angelo said when they are vetting a new company they have to make sure they are given the best information and it is important to be well received. Ms. Forgason said she just ran an updated survey today and they are up to an 85 percent approval rate.

6. Consideration and possible action on the acceptance of the Moore Archeological Consulting report pertaining to the Adams Lot and instruct the MEDC President to close on the purchase of the property.

Jeff Angelo asked if there was anything in the report that would preclude them from moving forward. Jeff Angelo said it does not appear there is anything concrete in the document.

Carol Langley said she thought the City approved this report. Rebecca Huss said after discussing with Moore Archeological Consulting, there would be nothing to find on their radar and it would be highly unlikely. Carol Langley asked if they stated that in their report. Wade Nelson said it does state that in the report. Rebecca Huss said given the composition of the soil and the age of the elapsed amount of time there is nothing to find. Carol Langley asked if they could take this to court and give a copy of this to the Historical Society and use this to assure people they have done their duty. Rebecca Huss said yes. Rebecca Huss said Ms. Adams sent her a note stating she felt the tree was actually in the middle of FM 149 as opposed to on the property they were purchasing based on her family documents. Carol Langley asked if this report would take care of EDC and the City doing their job to make sure there were no graves there. Rebecca Huss said yes she believes so. Rebecca Huss said Virginia Adams also sent her a notarized document stating that a baby be removed from her cemetery plat at her expense in the unlikely event that any 168 year old remains are found.

Rebecca Huss said the archeological report states that based on what they know regarding how carbon-based things decompose and spending \$10,000 on a ground penetrating radar survey, it will find items, but not those remains based on the age.

Rebecca Huss said from a religious perspective they believe they buried the family at the Methodist Cemetery across the street at the time. Rebecca Huss said she believes Methodists do not believe in original sin which means she is not sure why they would have buried the babies on the property when the cemetery was right there.

Jeff Angelo said it sounds like they have an agreed recourse. Rebecca Huss said they have historical evidence pointing to the burial being somewhere else if it did happen, time has passed so there would not be anything to find, and they have financial recourse.

Motion to accept the Moore Archeological Report pertaining to the Adams Lot and instruct the MEDC President to close on the purchase of the property was made by Jeff Angelo and seconded by Wade Nelson. All in favor. (6-0)

7. Consideration and possible action to approve the proposed MEDC FY2022-2023 budget.

Rebecca Huss said after the two budget workshops they agreed on finalizing everything except the possibility of hiring a part-time person but going a different route which would be the half-time person combined with another half-time person who works in the park and recreation department under Public Works. Rebecca Huss said Public Works is willing to fund half of a person to be the other half of the MEDC person. Rebecca Huss said the total MEDC funding would be \$35,000.

Jeff Angelo asked if the MEDC would have any input as to who this person is. Rebecca Huss said they do not have the training or the legal liability coverage to manage an employee.

Carol Langley said the City has asked for a job description for the position of parks and recreation but also for handling City events as well. Carol Langley said this person will report to Mike Muckleroy.

Rebecca Huss said after MEDC is satisfied with where they are with its budget it will go to City Council for approval. Rebecca Huss said at their next meeting they need to have a call for public hearings which are needed to approve their budget. Rebecca Huss said beforehand, City Council needs to approve the budget. Rebecca Huss said if City Council does not approve their budget, at the next meeting they will need to make the recommended changes or make their own changes and go back and get a secondary approval and still have their public hearing.

Motion to send the finalized proposed MEDC FY2022-2023 budget to City Council for approval was made by Rebecca Huss and seconded by Wade Nelson. All in favor. (6-0)

8. Consideration and possible action on approval of Bitly expense to create unique website addresses.

Motion to approve the subscription for 96 dollars per year to approve Bitly's annual subscription was made by Jeff Angelo and seconded by Wade Nelson. All in favor. (5-0). Byron Sanford stepped out prior to the vote.

9. **Consideration and possible action on purchasing equipment from Montgomery Movie Night events.**

Motion to reimburse Public Works for Movie Night equipment was made by Jeff Angelo and seconded by Dan Walker. All in favor. (6-0)

10. **Discussions on the possibility of the Montgomery Economic Development Corporation funding in full or part for MLK Sidewalks.**

Mr. Mike Muckleroy, Public Works Director said the City applied for two TxDOT Transportation Alternative grants in 2021 for two sidewalk projects and was not awarded funding for either project. Mr. Muckleroy said one project was Clepper Street/Bessie Price Owen sidewalk and the MLK sidewalk project. Mr. Muckleroy said the MEDC funded a sidewalk project that included a portion of the Clepper Street grant application that connects the historic downtown to Fernland Historical Park and adjacent City property used for event purposes.

Mr. Muckleroy said during a recent City Council budget workshop, Councilwoman Patricia Easley requested the MLK sidewalk project be presented to MEDC for consideration. Mr. Muckleroy said a construction cost estimate from 2021 and details about the scope of the MLK sidewalk project are attached for reference. Mr. Muckleroy said the engineering design costs are not included in the cost estimate and will be around \$40,000 in additional project costs. Mr. Muckleroy said City staff intends to reapply for TxDOT mobility grants in their 2023 Call for Projects.

Mr. Muckleroy said they had to remove several items from the capital fund project they wanted to do last year and this is one of those projects. Mr. Muckleroy said it came down to choosing between this project and the Round About project at Lone Star Parkway and Buffalo Springs that Precinct 1 verbally committed 50 percent to. Mr. Muckleroy said their share is \$265,000 and they thought this was the better choice for next year.

Mr. Muckleroy said this sidewalk does not have as much of an MEDC impact as Clepper Street, but an alternative would be to choose to fund the Round About project for the City and that would free up City funds to do the sidewalks.

Carol Langley asked when the grant will be open again. Mr. Muckleroy said in 2023 but does not know what month. Carol Langley said she knows Mr. McCorquodale applied twice and was turned down but is taking classes online through TxDOT to help him with the third application.

Byron Sanford asked if the MLK sidewalk project was a six-year deal. Mr. Muckleroy stated he did not know. Byron Sanford asked if it is necessary to put a contingency in a line item that says MLK sidewalks and then when you get to the end of the budget you see it is not there. Byron Sanford asked if they are setting themselves up for situations like this when they know they are trying to obtain a grant and chances and time are unclear, and strings are attached to these grants, but they chose to put something out there that makes a false hope and puts them in these types of situations. Byron Sanford asked if they could get away from these practices.

Mr. Muckleroy said he does not know who could answer that, but cannot say it is a bad practice to try. Mr. Muckleroy said some of these grants are reimbursement grants and you have to plan for them. Byron Sanford said if it was a six-year project you can wait until the grant comes in eight months later and then three more months put it in the budget then and they can avoid these types of situations. Byron Sanford said he asking to have the process reconsidered.

Rebecca Huss said the problem with Clepper Street has always been it is another one of Montgomery's rinky-dink spending of five dollars and wasting it going down the drain because it will last one minute as opposed to waiting until they can afford to spend the cost to do a quality job and get it done right the first time that lasts for its intended life cycle. Rebecca Huss said some of the things that were previously installed are in the wrong place.

Carol Langley said Clepper Street was a grant project that began five or six years ago through the Chamber and they did not get that grant either. Carol Langley said City Council did not fund it once they did not receive the grant. Carol Langley said MLK in her memory has only been a couple of years.

Jeff Angelo said he does not understand how MLK is in EDC. Rebecca Huss said she does not think it is either but is wondering if the City's capital projects budget has too many things being

pulled from it, if they can swap out something that is an MEDC project, they can swap it back in if it is a priority. Rebecca Huss said it could be asked of City Council what other projects they have that have been cut from the budget that they would like MEDC to take on. Rebecca Huss said they could say they have in their budget \$160,000 for City capital projects. Dan Walker said what projects will bring the most benefit to the most people is what they have to look at.

Jeff Angelo said they need to focus on the areas around the center of downtown where they are going to be making their development and have the greatest impact from an infrastructure standpoint. Jeff Angelo said Clepper Street is a good project and that is why they all agreed on that but it is not something that is going to have a major impact on their community.

Rebecca Huss said there is a big need the City has right now and maybe they should look at their budget and see if they can make their capital projects a bit tighter. Rebecca Huss said she was originally thinking of offering the swap but instead let the City come to them and say this is what they would like them to spend the money on. Jeff Angelo said as long as they have discernment over those issues he does not see a problem with that.

ECONOMIC DEVELOPMENT REPORTS

11. City Engineer's Report.

12. Administrator's Update.

There were no reports given at this time.

Rebecca Huss said the brick pavers with TxDOT are happening without first cementing everything in and then tearing it out. Rebecca Huss said she does not have an estimated time of arrival for the implementation of the pavers.

Jeff Angelo asked what the delay is with the barricades. Rebecca Huss said she has heard they have run out of cement and that they ran into some contract issues where TxDOT could have had drawings that did not show some type of expansion joints. Jeff Angelo asked if they have an estimated time of completion on the project. Rebecca Huss said no.

EXECUTIVE SESSION

The MEDC Board of Directors reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

No action was taken.

BOARD INQUIRY

Byron Sanford said there is a three-day workshop training on November 1-4, 2022 in San Marcos that is based around the Texas Main Street Program. Byron Sanford said this program goes perfectly with tourism and it is long-term.

Carol Langley said you need to become a member first and said Dave McCorquodale was going to check into it. Carol Langley said she believes it is not more than 200 dollars. Carol Langley said it is the Texas Downtown Association. Carol Langley said the one called Texas City requires you have an employee that works strictly for the downtown area. Carol Langley said the City of Conroe just became one of the tourist cities and they worked hard to get it.

Byron Sanford said he received a letter from Mr. Terry Weaver concerning Breaking Strongholds which has been streaming now for three months. Byron Sanford said on YouTube alone they have had over 75,000 views with many viewers reaching out and providing testimonies of the good it is doing. Bryon Sanford shared the show has now been picked up by PureFlix and stated Mr. Weaver wrote a huge thanks goes out to the City of Montgomery for continued support.

ADJOURNMENT

Motion by Carol Langley and seconded by Jeff Angelo to adjourn the meeting at 7:40 p.m. All in favor.
(6-0)

Submitted by: Diana Cooley
Diana Cooley, Deputy City Secretary

Date Approved: 9-19-2022

Rebecca Huss
Rebecca Huss, MEDC President