

MINUTES OF BUDGET WORKSHOP

September 11, 2023

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

Mr. Gary Palmer called the meeting to order at 5:30 p.m.

Present: Jeff Angelo – Vice President
Carol Langley - Treasurer
Byron Sanford – Board Member
Dan Walker -Board Member

Absent: Ryan Londeen - Secretary
Wade Nelson – Board Member

Also Present: Gary Palmer, City Administrator
Dave McCorquodale, Assistant City Administrator
Diana Cooley, Deputy City Secretary
Patricia Campuzano, Events & Recreation Specialist

Mr. Palmer said his philosophy from past experience with the general fund and other funds is the general fund offsets what they normally spend. Mr. Palmer stated they need to redo the Zoning Ordinance and create a Strategic Plan for the next two to three years. Mr. Palmer stated in City Council's first workshop session the City needed \$200,000.00. Mr. Palmer said he would go through each of the line items and use the EDC to offset the general fund expenses.

Jeff Angelo asked if they will be squeezed more next year. Mr. McCorquodale said yes, the numbers will be much harder to swallow next year. Mr. McCorquodale said in the past the reason they had a huge increase in funds was due to the home improvements skyrocketing during the covid pandemic. Mr. McCorquodale said this year sales tax revenue should be on budget. Jeff Angelo asked if they are projecting \$1.2 million. Mr. McCorquodale said it will not come in lower and they are expecting to hit their estimates. Mr. McCorquodale said they always had extra revenue to operate from.

Byron Sanford said with inflation and tax concerns staff is recommending creating ways for MEDC to ease the way for the City. Byron Sanford said they need to be wise and conservative. Mr. Palmer said the EDC is the way to offset the general fund expenses.

Byron Sanford asked if the EDC could exist on its own. Mr. McCorquodale said not as long as they are operating on sales tax and it is part of the governing body.

Mr. Palmer said they will offset the costs through their budget over time. Mr. Palmer told the EDC this is

their budget and they need to state what exactly they want to fund and then it will be taken to City Council as a recommendation.

Mr. McCorquodale mentioned there are three items that are audited which are water and sewer, the general fund, and MEDC.

Jeff Angelo said the infrastructure changes that were coming are taking 20 percent of the budget and going toward administration which is disappointing and frustrating. Jeff Angelo said he is excited with the MEDC Director coming onboard in the near future. Jeff Angelo said the Board needs to look at what will offset the money for the general fund. Jeff Angelo asked if Council has found any surplus in the budget to reduce. Mr. Palmer said no Council is tapped out.

Jeff Angelo asked Carol Langley what her thoughts were. Carol Langley said she never saw the budget divided out like it is and that EDC does use the office and Administrator. Dan Walker also added there is the cost of running the building. Mr. McCorquodale said MEDC should pay for these things as well.

Dan Walker asked if they are looking at annexing additional properties. Mr. McCorquodale said all cities regardless of size need a petition. Mr. McCorquodale said the west side of the City is wide open and if they annex any land in any direction they will not get any sales tax for the water or sewer. Mr. McCorquodale said the doors for annexation are not wide open.

Jeff Angelo said they need to find a way to get people here and keep them here. Jeff Angelo asked if the parking ordinances are hindering the growth of the City. Mr. McCorquodale said the parking regulation needs to change with one word being "recommended." Mr. Palmer said it is a priority to get the Zoning Ordinance up to date. Byron Sanford said this will take time and strategies. Byron Sanford said they have the information to press on and they will retool this with guidance from the top. Byron Sanford said it has taken too long to get a business here in the City.

Mr. McCorquodale said Ms. Patricia Campuzano has been taking on events. Mr. McCorquodale said this will be the third Fall Festival with \$8,000.00 going toward security. Carol Langley said they will not be contributing to the Mudbug Festival again as the three year limit was up last year. Jeff Angelo said they will remove that event and the Fall Festival but keep Freedom Fest and Ruck for Vets events. Jeff Angelo said they need to move the \$16,000.000 to capital improvements.

Ms. Campuzano said she is planning to continue the contest with Light up the Park but will be cutting back on the Texas Flags contest.

Ms. Campuzano said in regard to event equipment they have a blow up screen and needed to purchase a projector. Ms. Campuzano said for a backup projector they will need \$11,000 to purchase a new one. Jeff Angelo said to consider banks to sponsor for a new projector. Jeff Angelo said this is where the MEDC Director would be able to step in. Ms. Campuzano said she is getting sponsorships for movie nights.

Mr. McCorquodale said in regard to a reserve fund for new events a good example would be the Lonestar Street Dance. Mr. McCorquodale said a majority of money for any event goes toward security.

Carol Langley asked why they added the Texas Flag Celebration back into the budget. Ms. Campuzano said because they did have a Texas Flag Celebration event. Ms. Campuzano said this year they had three judges and the Mayor announced the winner at a City Council meeting. Ms. Campuzano said she did not know there were two line items that were the same and that it would cover a DJ and there would be a cushion for March to cover the birthplace of the Texas Flag.

Jeff Angelo said all events look good except for the Antique Festival and the Quilt Walk Festival.

Carol Langley asked why the cost went up for the Trick or Treat event. Carol Langley said they are giving out \$100.00 checks and the estimate is \$2,500.00 for more people applying. Ms. Campuzano said she was told they will need more security for Trick or Treat. Carol Langley asked what are they going to do as there has never been a problem except for parking. Jeff Angelo said \$8,000.00 is a bit steep for security during the Trick or Treat event although it is great for the businesses to participate. Mr. Palmer said he will speak with the Chief to see why as this is not the only event. Ms. Campuzano asked if the \$100.00 checks for the business owners would help. Jeff Angelo said yes.

Jeff Angelo said they need to take some of the funds in the budget and put toward the Light up the Park event and add Christmas lights to draw people in. Jeff Angelo said they need to get the community more involved and have more chances to have people move here in the City. Dan Walker said Next Door is a good platform to use.

Mr. McCorquodale said they wrote \$8,000.00 for the Fall Festival for security. Mr. McCorquodale said they have already spent \$8,000.00 this fiscal year 2021 and 2022 for the Mudbugs Festival. Carol Langley said MEDC will contribute this time but that will be it.

Jeff Angelo said he has no other questions about the budget and it looks fine to him. Jeff Angelo said EDC will do their part to help the City.

Dan Walker said what is the point to remodel downtown and not have festivals there.

Byron Sanford said the MEDC Director will be a great asset to move them forward.

MEETING ADJOURNED AT: 7:30 P.M.

Submitted by: _____
Diana Cooley, Deputy City Secretary

Date Approved: _____

Jeff Angelo, MEDC Vice President