

MINUTES OF MEDC REGULAR AND ANNUAL MEETING

February 20, 2024

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

CALL TO ORDER

President Jeff Angelo called the meeting to order at 6:02 p.m.

Present: Jeff Angelo – President
 Carol Langley – Treasurer
 Ryan Londeen – Secretary
 Wade Nelson – Board Member
 Arnette Easley – Vice-President
 Casey Olson – Board Member

Absent: Dan Walker – Board Member

Also Present: Dave McCorquodale, Director of Planning & Development
 Maryann Carl, Finance Director
 Diana Titus, Deputy City Secretary

CALL TO ORDER

OPEN PUBLIC COMMENT

No public comments were made.

CONSIDERATION AND POSSIBLE ACTION:

1. Election of Officers for 2024.

Nomination for President of MEDC:

Motion to appoint Jeff Angelo as President was made by Wade Nelson and seconded by Arnette Easley. All in favor. (6-0)

Nomination for Vice President of MEDC:

Motion to appoint Arnette Easley as Vice President was made by Wade Nelson and seconded by Jeff Angelo. All in favor. (5-1). Arnette voted against.

Nomination for Treasurer of MEDC:

Motion to appoint Carol Langley as Treasurer was made by Jeff Angelo and seconded by Wade Nelson. All in favor. (6-0)

Nomination for Secretary of MEDC:

Motion to appoint Ryan Londeen as Secretary was made by Carol Langley and seconded by Casey Olson. All in favor. (6-0)

2. Consideration and possible action on the October 23, 2023 Regular Meeting Minutes.

Motion to approve items #2 and #3 as presented was made by Casey Olson and seconded by Wade Nelson. All in favor. (6-0)

3. Consideration and possible action on the November 20, 2023 Regular Meeting Minutes.

4. Financial Report.

Ms. Maryann Carl, Finance Director stated the report looks different from what was seen in previous months and years. She said these are the types of reports you should expect to see that comes straight from the Incode software. Please keep in mind the period at the top of the report is for ending the previous month. She said there is the original budget, the period of activity, and the fiscal activity. It also shows the variance which means how far you are from what you said you were going to have in the budget and the revenue of how much more you need to collect in order to get to your amount and the expenses are how much you have left to spend.

Ms. Carl said on page 18 of the packet shows the group summary of the revenue and expense. In the column for the variance, favorable or unfavorable, if the year ended today you would be walking away with \$284,817.27 to put into reserves. You are bringing in more revenue than you are spending.

Ms. Carl stated on page 22 of the packet shows the cash analysis report. She said at the end of the month, February 22nd she believes, they went through a conversion to a pulled cash environment. She said what a pulled cash environment means is that you have a consolidation of the monies that are put together and paid for and received through your accounting system. She said this lets your system do the work for you, instead of them taking each penny and putting it in a certain place and then moving another penny from here over to there. Ms. Carl stated it is a nightmare situation when you do fund accounting. She said based on the auditor's recommendation, one of the first things she was told was let us talk about pulled cash. Ms. Carl said absolutely because there is way too much room for error and missing transfers in and out when you are relying on an individual to do those things amongst their 28 bank accounts. She said what you do in a pulled environment is you still have some accounts that are totally individualized especially the investment accounts. Your investments are your investments and in this case we have TexPool with great interest on this account. On the operational side there is an operational account at First Financial, but you also have money that is in the operational pool in that general pool of funds which she will explain why that is important. She stated there are times when there are items that are paid for such as event security is used and it is city staff that are events security. When that happens to the payroll process is that payroll process knows that it needs to hit events in fund 400 but when you process payroll that person is getting money from fund 100, from fund 400, it is coming out of one main account. You already have the expense taken out in fund 400 but the cash has come from the pool environment. You are letting the system take care of all those things for you.

Ms. Carl stated when you look at this particular report you will see the very first item says claim on cash MEDC 400. She said that is the non-investment claim of cash that you have and that cash comes down to the next box which says pulled cash MEDC which has \$349,406.20. That is the MEDC bank account at First Financial. The difference between the \$916,000 and the \$349,000 is the \$567,000 which is the amount pulled general operating. She said they will move money from there periodically into the EDC account but you need to remember this was a snapshot as of January 31st and they did the pulled cash conversion on February 22nd. She said she does not anticipate that balance to being that large and anticipates it being much lower, but at this point that is what the balance is.

Ms. Carl said the second line up above where it says claim on pulled investments, the \$1,968,000 is a combination of the first three in your bank balances. The first account is MEDC general, there is an MEDC reimbursement line, and an MEDC downtown and all of those balances equal the \$1,968,000 and that is how much you have in investments and the other one is readily accessible cash.

Carol Langley asked if the investment line item is TexPool.

Ms. Carl responded yes. She said she will continue to provide a report each month to show what the balance amounts are and what that looks like.

Arnette Easley asked how the TexPool investment is performing.

Ms. Carl said TexPool is doing really well. The benefit of TexPool is it is an instrument that delivers a relatively high interest rate and can be liquidated rapidly. She said it is not an operating type of situation so you do not make payments from there but generally transfer it into the operational side to pay for things like that.

Arnette Easley asked if the equity that is created is diversified and will they look at another fund that is performing well.

Ms. Carl said they are limited as to what they can put public funds into and that is typically why most cities stick with something like TexPool because it is a relatively low risk and is an approved instrument. As far as other instruments, the city historically has basically stayed between TexPool and CDs.

Arnette Easley asked who manages the investments.

Ms. Carl stated she is the investment person. She said they have a financial advisor from U.S. Capital who is over everything. We just did a debt issuance and they are the ones that handle all of those things.

Arnette Easley what is the cost to manage it.

Ms. Carl responded said there is no additional cost for it. She said they do not have any fees through TexPool.

Ryan Londeen asked who is the broker on that investment vehicle and is it something that only cities and counties can have access to.

Ms. Carl said TexPool is cities, counties, school districts, ESDs.

Ryan Londeen asked who or what is managing TexPool.

Ms. Carl said TexPool manages TexPool.

Ryan Londeen asked if that is a public agency or through the State.

Ms. Carl stated it is not a public entity. She said she would get some information on TexPool. She said she knows it is an approved instrument and that is where they put their money.

Ms. Carl said not everyone participates in it. She said she can get information as far as how many are in the pool, what makes up the pool. They receive a monthly report from them that shows the dollar amount of funds, how many investors there are, and the makeup of the pool.

Ryan Londeen asked how does it relate to personal investing like money market funds or to stock. He said it seems like interest rates are fairly low when interest rates are low, so it seems to match interest rates similar to a high yield savings account.

Ms. Carl said it does and it follows the market.

Motion to accept the financial report as presented was made by Casey Olson and seconded by Ryan Londeen. All in favor. (6-0)

5. Events Report.

Ms. Patricia Campuzano, Events Specialist said there were no issues for the November and December events.

Ms. Campuzano said in January they will be adding a QR code on the calendar which will be on the City's website for everyone to have access to all of the events for the year. Ms. Campuzano said there will be private events on the calendar as well.

Ms. Campuzano said the last page of the report shows the expenses.

Arnette Easley asked from a security standpoint if she has looked at outside agencies as far as consolidating costs.

Ms. Campuzano said not yet, she knows most of them are around the same prices. They need to know if they want to look at security or law enforcement officers. She knows that agencies charge differently so she will definitely look into that.

Arnette Easley said he knows the Mud Bug Festival and the Wine Fest are the biggest ones. He suggested instead of having four or five officers to have two officers for security.

Wade Nelson said as far as getting the Wine Fest back to downtown it makes no sense. He said it should be here.

Ms. Campuzano said the Chamber handles the Wine Fest.

Wade Nelson said there has to be a way to partner with that. He said they need to bring it back into town.

Wade Nelson asked Mr. McCorquodale if that is a City thing.

Carol Langley said the main thing she heard is it cost too much police wise and does not know if they asked MEDC to help.

Mr. McCorquodale said he will present it to Mr. Palmer.

Carol Langley said all they can do is say no it is their event and they are going to hold the event somewhere else, but she thinks they are willing to come back to Montgomery.

Wade Nelson said he thinks they are too.

Wade Nelson said in regard to the event Charlie Diggs puts on, does he pay for his own security.

Mr. McCorquodale said it is Charlie's first year EDC is not paying for security.

Wade Nelson said that is Charlie's deal where he is making money but the Wine Fest is a Chamber deal that is related to the City.

Ryan Londeen asked if the Chamber took over and moved it.

Carol Langley said the Chamber said it cost too much police wise.

Ryan Londeen asked if the MEDC could potentially subsidize it.

Wade Nelson said yes.

Casey Olson said they can take it over and have their own Wine Fest.

Carol Langley said Shannan Reid could be ready to give it up. She said she does not know but knows that is her story.

Jeff Angelo asked if they are not having it this year.

Carol Langley said that one year she did not have it and then last year she moved it and no one came.

Casey Olson said maybe 30 people showed up for the event.

Jeff Angelo asked if they are having the event or not.

Ms. Campuzano said she has not heard if they are or are not.

Jeff Angelo asked if they want to reach out to Shannan to see if they are going to be doing this event.

Mr. McCorquodale said Mr. Palmer has a lot of conversations with her and again he can ask.

Jeff Angelo said they need to find out and get going on this if it is in October.

Ryan Londeen asked Mr. McCorquodale if he is going to reach out to Mr. Palmer.

Mr. McCorquodale said one of the things to update Mr. Palmer on is reaching back out to the Chamber on just talking about the status of the Wine Fest and what they are planning for this year. He said it is between Mr. Palmer and Chief on how they want to address security concerns.

Casey Olson said if they have it in downtown there is no way to sell tickets unless you fence it and when you fence it, it makes all the businesses mad and that is the last thing he wants to do.

Carol Langley asked Ms. Campuzano on the page for upcoming events if she did help with those or not.

Ms. Campuzano replied she does not coordinate the event but does the permitting process for it.

Arnette Easley said he knows Shannan does the 4th of July celebration as well. He said she did not do it last year or even the year before.

Ms. Campuzano said she did have the event last year.

Arnette Easley asked if she would be having the event this year.

Ms. Campuzano said yes.

Motion to accept the events report was made by Arnette Easley and seconded by Ryan Londeen. All in favor. (6-0)

Wade Nelson left the meeting at 6:35 p.m.

6. Open discussion of ongoing MEDC and city-wide initiatives.

Mr. McCorquodale said he believes they have a candidate for the EDC position and in March at the next workshop they will be asking Council the following night at their Council meeting to add the position to the organization chart. He stated as a reminder they have budgeted for this position. He said in speaking with Mr. Palmer he wants to ensure that it is added on to the organization chart before they do anything. They hope to have someone on board in April.

Ryan Londeen asked if they have made an offer.

Mr. McCorquodale said no. They just need to add the position to the organization chart so they can make a formal offer.

Ryan Londeen asked if there is any way to figure out the breakdown and administrative fees they are paying the City for some of the work the EDC director will now take on. He asked if there is a way they can track how much they are paying the EDC director versus how much they are no longer having to pay the City.

Mr. McCorquodale said he will look into it and can certainly get back with the information.

Mr. McCorquodale said he does know the \$275,000 EDC budgeted toward administrative expenses is not going to change. The money has already been allocated for next year's budget. There will be a change in trajectory of that transfer but he does not know what it is yet. He will meet with Mr. Palmer and Ms. Carl.

Arnette Easley asked who designed the scope of work and job description.

Mr. McCorquodale said the subcommittee that consists of Dan Walker, Jeff Angelo, and Ryan Londeen.

Arnette Easley said it is good to get someone who can just plug in and get all the agenda items moving forward so it is not stagnant.

Ryan Londeen said they need someone to have boots on the ground while they are out doing their day jobs. They need someone who can go out and meet with people and do the actual hard work.

Jeff Angelo said he can assure you this candidate is a very strong candidate.

Carol Langley asked if they hired him for the price they agreed on.

Mr. McCorquodale responded yes.

Carol Langley asked if the money is the City of Montgomery's money and not MEDC money.

Mr. McCorquodale said that is correct they will be a City employee.

Carol Langley said they did that before and it did not work but hopefully this time it does.

Ryan Londeen asked what is the history on that.

Carol Langley said the person thinks they work for the City of Montgomery and not MEDC so they wind up doing things MEDC does not even need.

Ryan Londeen asked if the MEDC director will report to Mr. Palmer.

Jeff Angelo said he thinks the MEDC need to drive the agenda but the MEDC director needs to report to someone. He asked if the person would report to the city administrator.

Mr. McCorquodale said that is correct.

Jeff Angelo said they would be meeting with Mr. Palmer to ensure their agenda objectives are combined because they talked about in their workshop about coming up with a combined vision from Planning and Zoning and Council all working together.

Ryan Londeen asked how do they oversee as EDC to make sure nothing does not happen.

Casey Olson said MEDC sets the agenda and that is what he works on.

Jeff Angelo said he thinks overall all it is going to be relatively easy for them to determine whether or not he is achieving his goals. The goals will be set, the metrics will be held to account and you will need to have someone to report to that is here day to day. The EDC director will come in for the monthly meetings and give his report. Based on interactions they have had with him this far; he thinks they will get great results.

Mr. McCorquodale said MEDC needs to make sure the MEDC director will be working on what they want him to work on. One of the first things you will be tasked with is a strategic plan for MEDC and to make sure that strategic plan aligns with the City. This strategic plan of the MEDC becomes somewhat of a subset of the goals of City Council.

Jeff Angelo said Council changes every couple of years with different people and different agendas but the director and city administrator and EDC as a group need to come along side with Planning and Zoning and City Council and formulate a vision they can all ascribe to, budget for, and go out and get grant funding for. He said he thinks this is a very exciting moment in the fabric and growth of the City in that they have someone that is championing those efforts.

Jeff Angelo said these guys on the committee did a great job vetting and looking out for the request for finding the right candidate and thinks they will be very excited as they move forward.

Arnette Easley asked if one of the qualifications would be he knows grant writers or be able to write the grants himself.

Casey Olson said grants as a whole are not a good investment. An immense amount of time is spent on a chance you might get it. Thousands of dollars are spent in man hours and fees you have to pay just to get the opportunity to maybe be selected for it. He said if you want to spend this man's time well, we pay for things ourselves, get as much business as we can and generate our own funds. If the right grant comes along and they might be able to get it then good. As far as focusing on grants it is a bad idea.

Jeff Angelo said there will be times they need to seek out grant opportunities but the most important thing with this candidate is to bring business into the City.

Arnette Easley said he thinks from a grant standpoint there are millions of dollars out there for municipalities. If you apply for one it takes two years to get it.

Ryan Londeen said some grants are a waste of time but you need to have someone who knows which grants to apply for and hopefully this person can help with that and be our ears on grant opportunities.

Casey Olson said we as a City have a grant writer they pay, but we pay way more than she is giving us back.

Jeff Angelo said far as MEDC is concerned they want to bring business and economic development to Montgomery and the only way to do it is to get someone who is at the forefront going toe to toe with businesses and the right kind of businesses to get them here.

Jeff Angelo said when they did this interview there were so many things that he recognized about the opportunities of our City that they knew but they did not know he knew and then he had solutions for them.

Mr. McCorquodale said he has not received anything back from the design team regarding the McCown Street project. He said the point they are at is their access, the cornerstone design was a pedestrian plaza in the middle of McCown Street. A year ago he had good direction on being able to sort out a public solution to be able to close that street. Now, he is not sure the City does have a solution other than keeping cars on McCown. He does not think they are going to be able to acquire the right of way they need to divert a street for the traffic in order to have a pedestrian plaza. He said he has asked the design team for some ideas and direction and will look for that next month to find a way to keep the project moving.

Mr. McCorquodale said you will have the final product in April for the Wayfinding project. They are finalizing just where all those individuals signs will go and the specs for them.

Mr. McCorquodale said one of the things that came out of the strategic planning session with City Council last summer was the need for a zoning code and development code update. He said they are working through the contract and negotiating the scope of work which the Council will review at the workshop meeting on Monday night.

He said what that project will do as it relates to the EDC is it will improve the development landscape and opportunities; it will clarify regulations that feel like they are somewhat disconnected. He said the intent, specifically economic development is to provide a clear development road map that if someone wants to come into the City and sees a parcel for sale, they can look and know exactly what they need to do. Rather than a case by case basis of trying to analyze the benefits and some of the cons of the development, this update to our zoning code and development code should streamline that process where developers can see what their opportunities are. It is not so restrictive it dictates one solution for a site. The idea is the developer can look at a site and can understand what they need to do because the City has told

them it is good. Their job as a City is to provide a good solid framework that enables the development to happen.

Mr. McCorquodale said it is an exciting project and will be a 12 to 15 month long process. He said it is an exciting time for a really good update to the way they think about land use and the development landscape for the City going forward.

Casey Olson said the company they went with have their own data base. Once we get through all of our new regulations developers will access it through the City website which will then take them directly to their data base and tell them exactly what they need to do.

Jeff Angelo said it is long overdue and is glad they stuck to it. He said it is good news all the way around and thinks the future is exciting for Montgomery as they have good things in place.

BOARD INQUIRY

No board inquiry at this time.

ADJOURNMENT

Motion by Jeff Angelo and seconded by Arnette Easley to adjourn at 6:52 p.m. All in favor. (5-0)

Submitted by: _____
Diana Titus, Deputy City Secretary

Date Approved: _____

Jeff Angelo, MEDC President