MINUTES
WATAUGA ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
TUESDAY, MAY 17, 2022
7105 WHITLEY ROAD, WATAUGA, TEXAS 76148
6:30 PM

CALL TO ORDER

President Miner called the meeting to order at 6:30 p.m.

ROLL CALL

Arthur L. Miner	**Place 1, President**
Calvin Lewis	Place 2, Director
Jan Hill	Place 4, Director
Mike Alexander	Place 3, Secretary
Malissa Minucci	Place 5, Director, absent with notice
Toni Leber	Place 6, Director

Others present include:

Andrew Neal	Council Place 4, Mayor Pro Tem
Lovie Downey	Council Place 3, Councilmember
Joshua Jones	City Manager
Linda Proskey	City Secretary
Sandra Gibson	Director of Finance
Lorenza Zavala	Administrative Assistant

ANNOUNCEMENTS

Director Jan Hill- Watauga Fest is this weekend.

PRESENTATIONS

1. Presentation of May Business Anniversary Milestones:
   Big Z's for 15 years
   Valero for 35 years
   Magic Spring Roll for 20 years
   Modern Wash for 25 years
   Nikki's Quick Stop for 25 years
   Shannon Funeral Chapel for 25 years
   Sherwin-Williams for 35 years

REPORTS FROM STAFF

1. **Report on status of the update for the WEDC website and the Business Directory**

   City Manager Mr. Jones- I received the report from the IT Department that we are close to going live with the update to the WEDC website. The Public Form Functionality allows users to better search for businesses. Waiting for the final mapping that is going on behind the scenes. We are shooting for the end of the month. Then we will look at updates and anything else we need to make changes on or improvements to. We are looking to replace GovPilot with Bluedot that will save the city $10,000 a year. Hoping to go live by the end of the month and then we can do some tweaking and we should be good after that.

Director Hill- Is the Fire Marshall still adding the businesses to the Blue Dot when doing the inspections?

City Manager Mr. Jones – Yes ma'am. Currently until we get the new system in place, that is the system we are using. Once we get Bluedot live, we will have a better idea on how to adjust that.

PUBLIC COMMENT

Requests for public comments were not received.

PUBLIC TESTIMONY FOR ACTION ITEMS

Requests for public testimony were not received.

CONSENT AGENDA

1. Consider action to approve the meeting minutes of the March 15, 2022, and April 19, 2022, WEDC meetings

   Motion: Director Hill makes the motion that we approve the items as presented.
   2nd the motion: Director Minucci, I second.

   4-0-0 passed

   Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
   Nays: None
   Absent: None
   Abstain: None

ACTION ITEMS

1. Discuss and consider action to appoint officers to serve the Watauga Economic Development Corporation.

   President Miner- The positions should be President, Secretary, and Vice President. I will open nominations for President.
   Director Hill- I nominate Art Miner to continue as President.
   Director Minucci- I second.
   President Miner- Any other nominations. We will close nominations for President.

President Miner called for a vote:
4-0-0 passed

Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
Nays: None
Absent: None
Abstain: None

President Miner- Next will be Vice President. I will open up nominations for Vice President.

Director Hill- I nominate Malissa Minucci for Vice President.
Director Leber- I second.
President Miner- Any other nominations for Vice President. We will close nominations for Vice President.

President Miner called for a vote:
4-0-0 passed

Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
Nays: None
Absent: None
Abstain: None

President Miner- Next will be Secretary. I will open up nominations for Secretary.

Director Minucci- I nominate Jan Hill for Secretary.
Director Leber- I second.
President Miner- Any other nominations for Secretary. We will close nominations for Secretary.

President Miner called for a vote:
4-0-0 passed

Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
Nays: None
Absent: None
Abstain: None

2. Presentation and discussion on the Watauga Economic Development Corporation Proposed Budget for Fiscal Year 2022-2023.

Director Gibson- Josh and I are please to present the proposed budget for 2022-2023. Tonight, I will give you an overview and answer any questions. The packet contains more detail. We craft the budget timeline based by the WEDC bylaws.

We're having the budget workshop tonight. There will be a lot of estimates within this budget. Budget adoption is set for July 19th so the requirement by the WEDC bylaws is that we have 60 days between the proposed budget to when it is set for the board for adoption. The public hearing is for public input on the budget and after the board adoption, the council is the final authority on the WEDC budget. So, they do have to accept the budget and then it is adopted through the regular adoption process. That date is set for August 8th. We do have another public hearing once it gets to council for more public input which is set for August 22nd. We can do the full budget adoption the 22nd or the 12th. Depending how we put it on the calendar for council.

Mr. Jones- I am looking ahead that this will be approved by council. Some of the highlights have been sponsoring Watauga Fest, launch of the WEDC website, and reorganized specific personnel to provide more support for WEDC. Adjusting Lorenza's primary focus from administrative duties to focusing on more Economic Development duties. We've adjusted her job description duties and we've adjusted that. Some of these goals will not be completed this year and will be moved into the next year. Develop a Business Retention Program, complete a Food Business Park area, Shop Small Business programs, continue Business Spotlight videos, continue New Business Attraction through Retail Coach contract. It will be $5,000 less next year. We're slowly getting back to normal from COVID. Our sales tax is 14% higher that what was budgeted. We were seeing this trend continue but inflation has been a major issue on a national scale. There may be some downward pressure on our local economy, but we have not seen that yet.

Mrs. Gibson- On the sales tax we've had significant recovery and have exceeded our pre-pandemic sales tax numbers to the tune of about 24%. Our 21-22 estimates for how we're going to end this fiscal year is about 14% more than what we had in the budget. 7% over the actual 2021-year end is what we're looking at. We saw a lot more recovery from the later part of the last fiscal year. So, we didn't have the data to project out the numbers accurately, and this has been happening in this environment. It's been really hard to predict. We're always conservative going into the next fiscal year. We are projecting 5% up from what we're projecting for the 2021-2022 budget and what are estimates are from there we are projecting 5% up from 2022-2023. That's based on some data that we know and some businesses coming into the city. It's still very early on the estimates and we may change that as more information comes to us. As Josh mentioned we're continuing with Retail Coach and the Food Business Park Project that will be what is continued this year. There were some adjustments from the prior year, about the same level of funding. Just a little higher this year than last year. There is a summary in the budget packet the board can look at. Expenses are showing a decrease than last year mainly from legal services and GovPilot. Fund summaries to see the history and see the actual from 2021 from sales taxes and 2022 projections as 7% above actuals. Sales tax for 21-22 projected and we're coming up 5% higher for 22-23. What were projecting to end the year with fund balance is slightly over $2 million in fund balance at the end of '21-'22 that's not including any land purchases because that adjustment will have to be made to this budget if that happens. And then at the of 22-23 our fund balance would be projected to be $2.5 million. Any questions?

Director Minucci- Mrs. Gibson have you and your staff thought about throwing out 2019-2020 and maybe looking at 2018-2019 for a normalized year?

Mrs. Gibson- We have in the past had 3 years in there and we had a lot happening with sales tax because so much changed. '18-'19 is a more normal year but '19-'20 wasn't as low as we thought it would be. But the sales tax really rallied the last quarter of the year. It was only 2% lower than the year '18-'19. We have done 3 years in the past.

Director Minucci- The negative variance on the contractual services for programs adjustments, what was that?

Mrs. Gibson- There were some business retention programs that staff is having to do more research on and maybe things we bring back from last year's budget that we don't have a lot of information about. And we really don't have the staff to run those programs on and may be brought forth in '23-'24.

Director Lewis- I was curious on the expenditures category specifically business retention. Looking at the projections of 21,610 and the actual being 3,500. I was curious on 2 things, 1. What is the biggest disparity and 2. What makes up the business retention expenditures.

Mrs. Gibson- The biggest disparity are the programs that we don't expect to have this year and are moved to next year. Some of those are going to be covered by ARPA funds that didn't happen this year but will be moved to next year. Business retention is what staff does, mainly Lorenza. Expenses related to advertising and printing. Software and everything related to retention. Business attraction is a little higher. More advertisements and reaching out to the community.

Director Hill- I had some questions about things going back to the General Fund. The biggest one is the City Manager at $174,500, General Administration for 56,200, and two General fund for 262,900. I'm confused as to what's in those numbers.

Mrs. Gibson- $262,900 for city staff being charged to EDC. City Secretary's Office estimated hours and what they are doing. For the City Manager is higher because it includes 50% of the City Manager's salary as well as a full other position dedicated to EDC. Information Technology Media Specialist position. The 262 is the total of the 259,150 and adds in 3750 for the annual audit and the codification fees for ordinances. So that's how you come to that total. The general administration you see on the expenditures. These are transfers, the 262,900 go into the General Fund and then the debt service what we talked about for those 3 projects were added over the years. The general administration, the 56,200 that includes those items that can't really be charged to Business Retention/Attraction it includes legal services, training, travel, some community events that can't really be charged to that. Any general EDC contractual services.

President Miner- If I heard you right, any full-time employees? What is the breakdown for employees? I know City Manager is half, who else are we having full time?

Mrs. Gibson- We have 1 full time Economic Development Coordinator position.

President Miner- And that is.

Mrs. Gibson- Yes.

President Miner- Ok, and half for City Manager. And that's it for actual salaries.

Mrs. Gibson- Yes, and it includes benefits as well sir. IT is a different line item. That is the Media Specialist. We received an estimate. We don't have all the salary data as of right now. President, as we bring this forward in June, we will have another opportunity to discuss it with the board. We will have the public hearing at the June meeting. We will put the budget on the agenda as well in case the board has any more discussions points for the budget.

3. Consider action on setting a Public Hearing date to discuss the Watauga Economic Development Corporation Proposed Budget for Fiscal Year 2022-2023 during the regular meeting scheduled for June 21, 2022 at 6:30 p.m.

   Motion: Secretary Hill makes a motion to set the public hearing date to discuss the Economic Development Corporation Proposed Budget for Fiscal Year 2022-2023 during the regular meeting scheduled for June 21, 2022, at 6:30 p.m..
   2nd the motion: Director Lewis I second the motion.

   4-0-0 passed

   Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
   Nays: None
   Absent: None
   Abstain: None

4. Consider action on setting the date of the WEDC Budget Adoption for July 19, 2022 and submittal to the City Secretary's Office for inclusion on the Council agenda.

   Motion Director Lewis makes the motion that the adoption for July 19, 2022, be accepted as scheduled.

2nd the motion: Director Minucci I second it.

4-0-0 passed

Ayes: Jan Hill, Toni Leber, Malissa Minucci, Calvin Lewis
Nays: None
Absent: None
Abstain: None

EXECUTIVE SESSION

1. The City Council will recess its open meeting and reconvene in executive session to discuss the following items pursuant to the below referenced section(s) of the Texas Government Code:

President Miner recessed at 7:11pm to executive session.

RECONVENE
President Miner reconvened the meeting at 7:39 p.m.

ITEMS OF EXECUTIVE SESSION DELIBERATION:

1. Pursuant to Section 551.087 Deliberation regarding negotiations on a 380 Agreement with regards to a business prospect.

   No action taken

ADJOURNMENT
President Miner adjourned the meeting at 7:39 p.m.

APPROVED: **this** 21st **day of** June**, 20~~21~~22.**

SIGNED: **this** 21st **day of** June**, 20~~21~~22.**

APPROVED:
Arthur L. Miner /s/
Arthur L. Miner, President

ATTEST:
J. Hill /s/
Jan Hill, Secretary

NOTE: Original Audio and Video Recording of this meeting is preserved and maintained by the City Secretary's Office