

GEIC Board Meeting Board Meeting Notes, April 9th

NOTE: No recorded information on the approval of minutes from the two previous meetings.

Financial report

Neal had questions regarding the accounting services budget, payments and cost regarding the fees. He asked about David Miller handling the QuickBooks and accounting given his training and knowledge. Jeff Mercer confirmed David Miller has the training and knowledge, but offered that the multiple audit points with him David, the accounting firm, along with multiple signatures for checks was a good practice to continue. He reviewed the check issuance process. Jeff Mercer mentioned he would look at doing a comparative analysis of the accounting services costs over the three-year period and would confirm the service fees associated with our accounting firm Lukert, Mayers, Widner & Co., P.C.

Jeff asked if Neal wanted to make a motion. Jack Graham added that a third set of eyes for review and audit of the financials and check writing issuance process would be beneficial. Neal did not make a motion and deferred to Brandon Anderson, City Manager for thoughts. There was a request to see the costs and payments for the accounting firm by the board. Jeff Mercer acknowledged that request and said they would provide a spreadsheet with a 3-year comparative.

Neal asked a question regarding the bond payment. He asked how many payments are left and whether that ends in 2021. Jeff/David responded that there were 3 payments left. Jeff Mercer mentioned that interest rates have risen, the financial institution has a defeasible penalty, basically a yield maintenance on the bond has that been zeroed out? He wanted to work with First Southwest (issued the bond) to see if it has the defeasance situation. Brandon Anderson mentioned Sharon has that information. Jack Graham mentioned if we could paying it off, maybe get a little benefit.

Jack asked for a motion to approve financials, David seconded the motion, and board approve financials.

There was a question regarding Spotsee. The board discussed the rental rate and employee count being at 27 FTEs. David Miller discussed the difference in revenue/rental credit financials and differences with and without the employee credit.

There was a comment from the board on the sales tax revenue. Jeff Mercer said the sales tax revenue is a historical average. Brandon was asked by the board whether this year's would be higher than the historical average. Brandon said that should probably adjust by five percent.

Jeff moved to discussing the upcoming 2018-2019 Budget. He spoke about the extra year grants that were about 50 moving to 75 mainly to move the sidewalks out of its own category.

Jeff mentioned the focus on sidewalks and façade grant for downtown. Neal brought up some issues with zoning and generated tax dollars to support the whole city regarding what are retail zones and what are industrial zones in Graham. Jeff wanted to get this approved by the board and review the appropriate laws, tax dollar uses, and fill out the appropriate forms.

David Miller explained that the façade program is approach came from Brandon Anderson regarding an overlay for downtown associated with color palette, signage, etc. for the downtown square. Brandon Anderson explained the need for guidelines. These guideline could then help you regulate funding and support the community aesthetics. The board discussed the guidelines adding a cohesive feel to the community, historic components, color palette that is more neutral for the downtown square. The board discussed this is more about approving grant applications on a case-by-case basis related to the funding. The guideline would be the standard that support the application review process for the grant. Brandon Anderson and David Miller expressed this would help the evaluation of those grant applications with standard guidelines, e.g. an overlay.

Brandon Anderson expressed a need for a set of guidelines, a criterion for objectively evaluating applications to express why building owners qualify or don't qualify. Currently, we do not have that set of guidelines. Board members expressed the need to have color palette, facades, minimums or percentages for building facades, etc. It could be tied to planned development area like other corridors in the city. Jack Graham asked Brandon Anderson to get together with him and Jason Cottongame to establish a planned development area to come up with guidelines.

Jack expressed the need to work with David to pull together a planned development area for the group over the next 60-90 days to present as a project.

Marketing cost is 10%. Jeff expressed that Wichita Falls TV ad was the best value at \$300 with the number of views. There were no advertising production costs. Jeff went on to discuss the opportunity of doing more TV ads, billboard, & FB posts to Wichita Falls residents. Jeff commented that the creative was going to be control through ED to ensure no issues with costs. He went on to discuss the targeting strategy of trying to attract Weatherford residents. He mentioned the metroplex is pushing the rancher/cowboy out of the area. He commented that PK lake house owners could be an opportunity as well.

Jeff finished the Marketing section discussing the opportunity with Dave Campbell's football magazine ad at \$7,500 to tie population, sports, & economic together and offered an article that aligns to the opportunity for Graham. The board asked questions about timing, what sports or athletes, and brainstorm creative execution.

Jeff and David spoke about the rural clinic. They met with them and toured the facilities. The clinic asked for business assistance support to get them out of the red (negative revenue). Jeff and David offered them \$10,000 to support their needs. However, they did not hear back from the clinic.

The Airport Project:

Brandon Anderson represented the project, reviewed the map of the airport, expressed how TXDOT aviation came to Graham and mentioned we were up for an airport improvement rehab project. They offered funds to do this airport improvement. These are 90/10 grants with the city funds for the 10%. We need approval for paying the city's portion. The city is in the engineering design phase of the airport project. Everything runs through TXDOT aviation and all we're paying is 10% of the project costs. So I'll get that final figure I expect it at any time. We estimated the city's portion being \$16,666 which would happen this Fall. This would be \$1.563 million renovation. And the map shows you were renovating, we're rehabilitating both runways, the taxiways, and the apron areas installed the path on runway and repair and rehabilitate the path on runway 21. The construction on the new hanger access taxiway and that's the green area that's on the map that is out at this time. But we will be able to keep those funds in and distributing them in different areas, some signage and some lights. And also, for us to be able to use that access, we would have to loop our fuel tanks. The airport board discussed it and decided that it, and the other is the demand for hangers. The green area on the map is out at this time

Discussed budget changes to \$200,000 on the airport project and public hearing needs for this project. Motion to approve the budget change by Alex Heartfield, second motion to approve, board overall approved.

Young County Arena update and proposal for collecting impact data

The Arena sound system is an issue currently regarding sounds for events and concerts. Brandon coordinated bid process with a variety of vendors. One quote was \$26,000 with Robert and a Wichita Falls group gave a bid of \$49,800. This group did the football stadium sound system for Sunny Cruse and the Graham ISD. Brandon felt this wasn't a capital project for the arena. 56 speakers in Wichita Falls group quote; Robert's quote was 27, plus reusing 10 existing speakers. What's the attendance for these events? This was a use to drive profitable events. The equipment environment needs to be in an enclosed area to control for dust. The area is a big event and needs a better quality system. The Wichita Falls group is well-known and professional. The quote could be scaled back.

Neal made a motion to approve, there was a second, & board approved the motion to move forward with the Wichita Falls sound group for \$49,800 for new arena sound system.

Update on SpotSee employee count and rental change.

There was no discussion on this topic

Other Business:

Jeff Mercer reviewed his presentation deck regarding opportunities of the Arena for revenue and breakeven on events, operations, etc. Glen Rose comparison was used to evaluate our YC Arena. They are 3x better than in revenue generation than our YC arena. Jeff reviewed the opportunities for improving the Arena revenue through some events, operations, attractions, concession offerings, no cash purchases, POS, naming arena - title sponsorship, security, stalls&shavings, parking, and pay for parking. Parking is an ongoing parking maintenance expense. Jeff advocated for data to screen events based on revenue performance. Jeff advocated for a monthly meeting to review the viability of arena events for profitability and breakeven options with arena manager, Jeff Mercer, & President of GEIC. Brandon Anderson expressed issues with doing a monthly meeting to mandate additional requirements of this new employee related to revenue performance and breakeven. Brandon recommends waiting for these types of meetings, 3-5 months before instituting this requirement for monthly meetings.

VII. Adjourn