

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

July 17, 2017

THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY   §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Special Session, open to the public, on the 17<sup>th</sup> day of July, 2017, at 5:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the following officers and members of the Board of Directors were present:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Fred Wetz	Director

with all of said persons being present, except Director Martin, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelley Mattlage, Ms. Tara Martin, Mr. David Marks and others from the community, as shown on the attached sign in sheet.

Chair Webb called the meeting to order and announced that a quorum was present.

Director Hesson led in prayer followed by the pledges of allegiance led by Director Zepeda.

As the first order of business, the Board considered discussion and adoption of a plan relative to the proposed 2017-2018 festivals. Director Hesson stated that the Fire & Ice Festival ("F&I") is intended to give back to the community and recommended that the festival be held for the kids, but to leave out the music acts. Director Webb concurred and stated that the Rock the Ranch festival was poorly attended. Director Persson agreed and recommended that the District wait at least three years to hold another festival like Rock the Ranch until the Valley Ranch development is complete, and the sales tax revenue has increased. Mr. McCrady stated that he expects the reports to reflect a 5% increase in the Valley Ranch retail sales. Director Carlisle stated if the District wants to have music at the F&I, to have smaller, local bands perform. Director Zepeda stated that he doesn't believe that the District should be in the entertainment business. He

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noted that the F&I is intended for the community and that the District doesn't expect to make a profit, but stated that the District needs to manage the festival budget closely. Director Wetz stated that he attended the F&I before he was on the Board and isn't sure how the District got into the music festival business. Director Webb stated that the music was a branching out to give back to the community. Director Rogers stated that the District should hold the F&I with smaller, local bands and to put the extra money into a bigger fireworks display. The Board then discussed further whether to have the F&I and if music should be a part of the festival.

Mr. McCrady stated that the District spent \$371,000 on the F&I last year and that he has budgeted \$300,000 for the F&I this year, including \$100,000 for entertainment.

The Board next noted that they are not satisfied with the performance of 542 Entertainment, so they do not want them to be responsible for the entertainment or anything else related to the F&I. Mr. McCrady noted that to date, the District has committed \$75,000 for vendors for the F&I. Director Rogers stated that the F&I should have some type of entertainment, recommending at least 2 bands. The Board then requested that Mr. McCrady provide them with a cost summary for the stage, lighting, sound, etc., and a proposal for a couple of bands, preferably local bands. Mr. McCrady advised that he has not yet signed any contracts for bands for the F&I. Director Persson then suggested having local High School bands perform at the F&I. After discussion, Director Rogers moved that Mr. McCrady put together a package of 2-4 bands at a cost up to \$50,000, and to evaluate the equipment and stage requirements of each band and to report his findings to the Board within ten (10) days. Director Persson seconded the motion, which carried, with Director Hesson being opposed as he doesn't believe Mr. McCrady has enough time to put together such package and he doesn't want to defer termination of the F&I contract with 542 Entertainment pending review of such contract.

The Board next recessed to Executive Session at 6:25 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 7:48 p.m.

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The Board next unanimously concurred that the contract between 542 Entertainment and the District be terminated immediately.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)



A handwritten signature in cursive script, appearing to read "Stephen Carlisle", written over a horizontal line.

Stephen Carlisle  
Secretary, Board of Directors