

Minutes Abilene-Taylor County Events Venue District

Public notice having been posted, a meeting of the Board of Directors of the Abilene-Taylor County Events Venue District was held on Monday, June 19, 2017 in the Basement Conference Room of City Hall, 555 Walnut St., Abilene, Texas at 3:30 p.m.

Board Members Present: Norm Archibald, Mayor, City of Abilene
Downing Bolls, Jr., Judge, Taylor County
Kyle McAlister, Councilmember, City of Abilene
Chuck Statler, Commissioner, Taylor County
Glenn Dromgoole

Board Members Absent: None

Others Present: Representing City of Abilene:
Stanley Smith, City Attorney
Mindy Patterson, Assistant City Manager
Mike Rains, Director of Finance
Danette Dunlap, City Secretary
Karen Holland, Internal Audit/Finance Assistant
Anthony Williams, Mayor-Elect

Additional Attendees:
Board members and Staff from Frontier *Texas!* and the Taylor County Expo Center

1. The meeting was called to order at 3:30 p.m. Glenn Dromgoole and Chuck Statler were sworn in as Board members by Danette Dunlap, City Secretary.
2. The Board meeting minutes for July 18, 2016 were presented for approval. A motion was made by Councilman McAlister and seconded by Glenn Dromgoole to approve the minutes as presented; the motion carried.
3. Mayor Archibald gave an overview of the Venue tax history, and went over the allocation history of the tax receipts. The bond issue for which the Venue tax was created in 2003 was used to pave the parking lot at Shotwell Stadium. Abilene Independent School District (AISD) was provided with a portion of the Venue tax revenues specifically earmarked for Shotwell Stadium from 2004 through 2011. The Board voted to eliminate the AISD allocation beginning in fiscal year 2012.

Mayor Archibald went over the projected allocation for fiscal year 2018, noting it was an increase from 2017. He stated that even if the allocation percentages stayed the same, Frontier *Texas!* and Expo Center would still receive an increase in funding if the projection holds true. He also reminded the group that a Resolution passed in 2011 limited the allocation change to no more than 2.5% in any year.

Presentations regarding programs and venue tax use were made by a) Frontier *Texas!* and b) Taylor County Expo Center, as follows:

- a) Jeff Salmon, Executive Director of Frontier *Texas!*, presented information related to the past year's activities and financial status. He stated that the Venue revenues are 62.2% of the budget, and that without these revenues Frontier *Texas!* would not be able to operate. Mr. Salmon requested that the allocation remain the same, and reiterated that Frontier *Texas!* has not asked for additional funding from Venue revenues.

Mr. Salmon discussed the strategic plan that has been developed by the Frontier *Texas!* Board over the past year that covers years 2016-2024, to address the "sunsetting" of the Venue Tax in 2023. The strategic plan addresses the following:

- 1) Establish an operating endowment in order to not rely so heavily on the Venue tax funds; Mr. Dromgoole asked how much that would be; Mr. Salmon stated no specific amount has been set at this time, but they are looking to offset 25% of the funding.
- 2) Look at creating a new Venue tax initiative and play a key role in the process
- 3) Other items that would hopefully move funding from philanthropic groups.

Mr. Salmon went over financial information, and stated the allocation shift this fiscal year is squeezing them a bit. Councilman McAlister asked where the admissions numbers are this year compared to last year. Mr. Salmon stated they were down a little from the prior year. Mr. McAlister asked if money had been added back to the marketing budget. Mr. Salmon stated they are just now beginning to look at it.

Mr. Salmon noted it is a great time to be in Abilene. He said the Frontier *Texas!* Board and staff helped support the Expo Center bond referendum and were very glad to see it pass. He was glad to note that both entities are tied to each other and there is not an adversarial relationship at all.

Mayor Archibald inquired about the types of fundraising projects for Frontier *Texas!* Mr. Salmon listed the following:

- 1) September – Belt Sander racing brought in \$22,000--\$28,000 last year. They are budgeting a net of \$32,000 for this year.
- 2) Memberships – Currently they have 70-80 households with memberships. They plan to market the memberships more this year.

Mr. Dromgoole questioned the differences between the revenues reported by Frontier *Texas!* and the amounts reported by the City. Ms. Sharbutt, CPA and

accountant for Frontier Texas! stated there is a one-month lag in posting the tax receipts from the City. According to the City, receipts for the last two fiscal years were:

- FY 2015 \$466,127 (corrected from \$427,224 shown on the handout)
- FY 2016 \$428,036

Mr. Salmon thanked the Board for their work, and asked that the allocation percentage to Frontier Texas! remain the same.

- b) Rochelle Johnson, Executive Director of the Taylor County Expo Center, gave an update on the activities and financial status for FY 2016.

There were 393 events; 107 hourly rentals (mostly Taylor County residents); and 196 events that used 240 calendar days. The Abilene Convention and Visitors Bureau credits the Expo Center with adding \$7.4 million to Abilene's economy. The Expo Center activities sold 12,766 hotel room nights for 13,248 people during FY 2016. Attendance at Expo Center events was over 250,000 last year.

There are 16 full-time employees and 260 part-time and volunteer staff. Payroll for FY 2016 was \$994,000. Utilities totaled \$337,000; insurance was \$117,000; and repairs and maintenance was \$131,000. The Expo Center will host the State 4-H Horse Show through 2018, and Ms. Johnson is currently working on getting the Youth Bull Riding Championships.

The West Texas Fair and Rodeo (Fair), Western Heritage Classic (WHC), and Evening at the Expo are the 3 largest fundraisers for the Expo Center, bringing in over 50% of the annual budget. The Expo Center has succeeded in setting aside \$502,000 as a "rainy day" fund.

A marketing director was hired in February. The goal is to increase sponsorships for the Fair and other events to improve the total earnings. Current year challenges for the Expo Center include:

- Upcoming Bond-funded renovations
- Competitors for events (mainly Waco, which recently voted in a Venue tax)

Ms. Johnson thanked the Board for their consideration.

Mayor Archibald stated the renovations should be timed so that the Fair and WHC are minimally affected. Ms. Johnson said this has already been done.

Commissioner Statler asked Ms. Johnson to discuss changes that will be made to the Expo Center facilities, and the order they will be done:

1. Utility work – currently being done
2. Livestock barn – bids will be voted on next week
3. Move permanent food booths

4. Equestrian Event Center
5. Coliseum

Councilman McAlister asked what percentage of the Expo Center budget is covered by the Venue Tax. Ms. Johnson stated it was 9% of the total budget.

Mr. Dromgoole asked what percentage of the debt payment is allocated to the Expo Center. Mr. Rains stated 23% of the debt is allocated to the Expo Center.

Judge Bolls thanked Ms. Johnson for her work. He asked what percentage of events are local; Ms. Johnson stated it is less than 50%, and that most business is from out of town.

Judge Bolls related an occurrence in which a visitor to the Coliseum during the Cooper High School graduation had to use a handkerchief to wipe off the seats. He mailed the handkerchief to Judge Bolls with a letter stating his displeasure at the condition of the seating. Judge Bolls and Ms. Johnson both noted it is very difficult to keep the Coliseum clean, especially after events that require dirt to be hauled into building. The dirt gets everywhere, especially the vents and ceiling, and cannot be effectively removed even after several cleanings. They are looking forward to the Equestrian Center so that the Coliseum will not have dirt brought in any more.

Mr. Dromgoole asked when Bond-funded Expo Center construction will be completed; Ms. Johnson stated it should be completed during the 2020-2021 fiscal year. He also commended Ms. Johnson for managing the Expo Center very well.

Judge Bolls commented that both entities have to get creative in getting visitors. He thanked both board member groups for coming to the meeting.

Mayor Archibald commented that the Venue Tax has been good for the City.

4. Board members discussed the allocation history and the expected increase in revenues (6%) for next fiscal year. Councilman McAlister stated he would like to see at least .5% go back to *Frontier Texas!* for next year's marketing expenses. Commissioner Statler stated he would like to move an additional 1% to Expo Center to help offset possible issues related to construction. Mayor Archibald noted that entities have no guarantees of increased revenues month to month. Mr. Dromgoole observed that if the projected revenues hold true, the Board can leave the allocations the same and everyone still comes out ahead.

Mr. Dromgoole made a motion to leave the allocations the same for FY 2018 (55% to *Frontier Texas!*, 45% to Expo Center); Commissioner Statler seconded. Discussion: Commissioner Statler stated he would like to see an increase of 1%

for the Expo Center, but more revenue will help offset if an increase in allocation does not occur. Final vote:

No – Commissioner Statler

Yes – Mr. Dromgoole, Councilman McAlister, Mayor Archibald, Judge Bolls

Motion Carried

Additional discussion centered on the life of the Venue District and what must be done to create another when this one expires. All agreed this would take much work by the Board, City, County, and entities interested in receiving funding by a Venue District.

5. The next Board meeting was set for July 17, 2017 at 4:00 p.m. in the City Hall Basement Conference Room. The purpose of this meeting will be to:
 - a. Swear in Mayor Anthony Williams
 - b. Elect Board officers for FY 2018
 - c. Review the Venue District audit
 - d. Set the budget for FY 2018

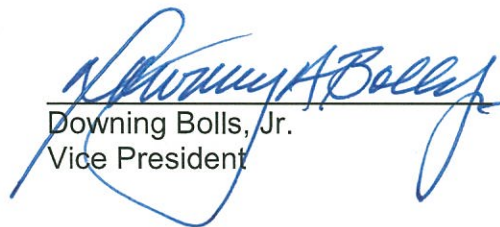
Judge Bolls will preside at the next meeting.

Mayor Archibald was presented with a gift basket and picture from the Expo Center staff in appreciation of his work for the City and the Venue Board.

Meeting was adjourned at 5:18 p.m.



Karen Holland, Recording Secretary
for Glenn Dromgoole, Secretary



Downing Bolls, Jr.
Vice President