



**SOUTHLAKE COMMUNITY ENHANCEMENT AND DEVELOPMENT CORPORATION
BOARD MEETING MINUTES: June 25, 2019**

LOCATION: The Marq Southlake
Legends Hall – Boardroom
285 Shady Oaks Drive
Southlake, Texas 76092

TIME: 6:00 p.m.

**COMMUNITY ENHANCEMENT AND DEVELOPMENT CORPORATION BOARD
MEMBERS PRESENT:** Board President Martin Schelling, Board Secretary Suzanne Maisto, Tom DeCaro, Bob Mundlin, Craig Sturtevant, and Jeff Wang.

**COMMUNITY ENHANCEMENT AND DEVELOPMENT CORPORATION BOARD
MEMBERS ABSENT:** Board Vice-President Brandon Bledsoe.

STAFF PRESENT: Assistant City Manager Alison Ortowski, Assistant City Manager Ben Thatcher, Chief Financial Officer & Board Treasurer Sharen Jackson, Director of Community Services Chris Tribble, Director of Public Works Rob Cohen, and Deputy Director of Community Services Kate Meacham.

1. Call to order

Board President Martin Schelling called the meeting to order at 6:00 p.m.

2. Consider approving the minutes from the May 28, 2019 Community Enhancement and Development Corporation meeting

A motion was made to approve the minutes from the May 28, 2019 meeting as presented.

Motion: Sturtevant
Second: DeCaro
Ayes: DeCaro, Maisto, Schelling, and Sturtevant
Nays: None
Abstain: Mundlin, and Wang
Vote: 4-0-2
Motion Carried – APPROVED

3. Executive Session

Board President Schelling announced the Community Enhancement and Development Corporation (CEDC) would go into Executive Session pursuant to the

Open Meetings Act, Chapter 551, Texas Government Code, Section 551.087 to deliberate regarding economic development negotiations.

Executive Session began at 6:01 pm and concluded at 6:05 pm.

4. Economic Development:

a. Discussion of FY 2020 economic development budget items

Chief Financial Officer and Board Treasurer Sharen Jackson gave the Board an update of the projected revenue picture for the end of FY 2019. She noted the following:

- Legends Hall adopted revenue was \$469,800 and the amended revenue budget will be \$521,061 (10.9% increase).
- Champions Club adopted revenue was \$2,106,471 and the amended revenue budget will be \$996,237 (52.7% decrease). This is due to the six-month delay of opening Champions Club.
- The total adopted revenue for the corporation was \$2,576,271 and the amended revenue budget will be \$1,517,298 (41.1% decrease).

Assistant City Manager Alison Ortowski presented the economic development expenditures being proposed for FY2020. They are:

- Target industry saturation study and daytime population analysis - \$50,000
- Economic development support software - \$25,000
- Website maintenance and development - \$15,000

The Board didn't have any questions on these proposed items.

5. The Marq Southlake:

a. Discussion of FY 2020 Marq Southlake budget items

Director of Community Services Chris Tribble gave the Board a FY 2020 budget preview of the new proposed Marq expenditures. Director Tribble noted the proposed new budget items for the Marq will respond to feedback staff has received since the opening of Legends Hall. These items are:

- Coffee bar - \$42,000
- Christmas decorations - \$14,000
- Carbon dioxide for the pool - \$7,200
- Loopy Loyalty (membership loyalty program) - \$600
- Equipment replacement fund - \$160,000
- Increase in Champions Club party packages - \$11,956
- Increase in child watch staffing - \$45,229
- Guest services staffing at fitness desk - \$6,690
- Fitness specialist - \$51,476

The Board asked the following questions:

- Which of the proposed items has a cost recovery aspect to them?

- What has been the membership turnover rate since Champions Club has opened? And does staff collect feedback regarding why members choose to cancel their membership?
- Can staff forward the budget presentation to the board for further review?

It was also noted that staff may need to look at the directional signage in Champions Club. It may be a bit confusing to find your way around especially when looking for a registered class or program.

6. Staff reports:

a. Financial reports

i. The Marq Southlake financial performance

Chief Financial Officer and Board Treasurer Jackson earlier presented the forecasted revenue picture for year end budget. Director Tribble presented the following performance data for The Marq:

- Total membership for the Senior Activity Center is 749 (71% resident, 29% non-resident)
- There are 970 events booked at Legends Hall for FY2019 in comparison to 988 for FY2018; however, the dollar value associated with this year's events exceeds that of 2018
- The Marq is receiving good reviews on social media and websites
- Membership for Champions Club is currently at 2,172, which exceeds the year 3 membership goal
- 19% of Southlake households have a membership
- 75% of all memberships fall in the family membership category

ii. Sales tax report

Chief Financial Officer and Board Treasurer Jackson informed the Board that the Corporation brought in \$488,310 in revenue for the month of April 2019, which is 18% above what was collected for the same month last year. The total revenue for the year is over \$3.3m (\$3,300,870).

b. Economic and development activity report

Assistant City Manager Alison Ortowski provided the board the latest quarterly retail sales report.

The Board didn't have any questions on these proposed items.

c. Construction management report

Director Cohen provided a brief update on the construction status of Champions Club. He noted that \$30.9 million has been paid to the contractor thus far, and that the focus of work is on punch list corrections, developing an exit strategy for the

contractor, and working towards obtaining the final certificate of occupancy. He also informed the board that the contractor plans to be offsite by September 2019.

Director Cohen also informed the board about the current status of issues that were noted in construction. He also shared with them City Council's recent determination related to those issues.

7. ADJOURNMENT

Staff mentioned that the next board meeting is scheduled for Thursday, August 1 and that the budget will be presented for consideration.

Board President Schelling adjourned the meeting at 7:23 p.m.



Martin Schelling, Board President
Community Enhancement and Development Corporation Board



Suzanne Maisto, Secretary
Community Enhancement and Development Corporation Board