

MINUTES OF A SPECIAL MEETING
OF THE CITY COUNCIL OF STAFFORD, TEXAS HELD
BY TELECONFERENCE, GOTOMEETING AUDIO/VIDEO
IN SAID CITY ON WEDNESDAY, JULY 14, 2021

On the 14th day of July 2021, at 7:00 p.m., the City Council of Stafford, Texas met in regular session in the City Council Chambers, in person and GoToMeeting Audio/Video in said City. Mayor Willis called the meeting to order. The following members of the Council were present: Councilmembers Mayor Cecil Willis; Mayor Pro Tem Ken Mathew, Councilmembers Wen Guerra, Virginia Rosas, Alice Chen and Xavier Herrera. Absent: Councilmember Don Jones. The following City staff were present: Nicola Browe (Acting City Secretary); and Art Pertile (Olson & Olson, LLP). Guest: Leslie Cook, RBC, Sam Gill, McCall Parkhurst. (Bond Counsel)

NOTE: Items appearing in these minutes are in the order they were discussed, not necessarily in the order they appeared on the agenda.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. (a) Consider and adopt an Ordinance authorizing the issuance and sale of City of Stafford, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2021; levying an annual Ad Valorem Tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.

Ms. Leslie Cook of RBC, provided a detailed presentation that explained the City's Certificate of Obligations and a timeline of events, along with potential savings. She went on to advise that the closing is scheduled for August 10, 2021 and the City will receive \$6.3 million.

Mayor Willis made a point to thank the exceptional work that certain staff put in to get this process done. He thanked: Ryan Young, Tatyana Luttschlager, Alka Shah, John Davis and Nicola Browe.

(b) Public comments on item (a).

No members of the public addressed City Council.

(c) Mayor Pro Tem Mathew made a motion to adopt the ordinance as presented. Councilmember Chen duly seconded the motion. Mayor Willis, Mayor Pro Tem Mathew and Councilmembers Guerra, Rosas, Chen and Herrera voted "yes"; none against. Mayor Willis announced the result of the vote (6-0) and declared the

motion approved. Councilmember Jones was absent. 7:28 p.m.,.

(a) Discussion and consideration of a Co-sponsorship of a Jazz Festival by the City of Stafford.

Councilmember Guerra introduced the item and provided an overview of his attendance to a Jazz Festival put on by Mr. Sam Pink at Moody Gardens, giving an insight to his experience. He went on to say that he reached out to the promoter Mr. Sam Pink and began discussions with staff but it has taken two months to get to where we are today. He stated that in his mind we could use Hot Funds as it would bring people to Stafford, and putting heads in beds.

Art Pertile, legal counsel stated that this is the first event that has looked at using Hot funds, what some call dead money and we have to look at the options, is this going to help the Stafford Centre bottom line, the advertising costs and the marketing plan are all items that will incur costs.

He went on to describe the uses for Hot funds and how certain aspects of this event could be covered by those funds and more specifically what cannot, he went on to say he looks at it as the least risk for City. The promote is responsible for getting the artists and all of that, the city's standpoint is purely the loan of the house. This will mean that not one penny of City money is going to an artist. He went on to say that what he would like to see when the City has events like this, (except SMSD events) lets make the money live, by using HOT Funds.

Councilmember Herrera discussed with the City Attorney his views and interpretation of the law on use of Hot funds. He clarified that the request is for \$ 251,000 sponsorship, advertising costs coming out of HOT funds. He went on to read from the Comptrollers Office rules and regulations for use of HOT funds and sought agreement from the attorney. He spoke to Mr. Pink when stating that it is not a money-making event typically. He went on to discuss what the formula is for calculating what the Cost analysis is for the city getting a return of investment for this event.

Councilmember Herrera stated he is quite nervous about this event and the funding source for it, while the City is working hard to recover its financial situation, as the HOT funds are earning interest.

Attorney Pertile, explained that is why we are here, as the City is struggling to find a event and or situation to use the HOT funds, as they are so prohibitive. This event would be a match for the comptrollers criteria.

Councilmember Chen stated that she as a member of Council has done her homework, researching facts. All of City Council should and she has conducted her due diligence. A co-sponsorship with Red Cat Jazz production. Ms. Chen then stated that she was looking at the originally issued packet from Friday, where the

rental fee was \$209,550.00 but today, it changed. She added that she is trying to make sure we are on the same page, also there is listed a \$12,500+ cost for security and advertising at \$100,000.00, however, there is a note that states " the City's contribution for advertising will be reimbursed, when Red Cat Jazz reach break-even" Ms. Chen went on to break down how much it would take to "break even". She stated that the P&L statement leaves her with a question:

1. [directed to attorney] you mention the promoter will do everything, we don't need to do anything, so based on this revenue, he will need to reach \$405,000.00, this promoter is going to do everything, (and the attached spreadsheet that City has been given has an error in calculation as when you add the ticket sales and t shirt sales, does not come out to the numbers reported here.) The break-even point is \$478,800 therefore if he doesn't reach that amount the city wouldn't get any money correct?

Attorney Art Pertile, confirmed the statement.

The spreadsheet states that 10,000 patrons are expected to attend with tickets of \$50.00 each, which is how he came to that amount. Ms. Chen explained that doing her homework, she googled the company to find out what things they have done, in order to see how successful those events were, so she could get behind this venture.

Ms. Chen asked Mr. Sam Pink of Red Cat Jazz when was the last time you did this festival?

She would like to see the P & L statement for 2011/2015

Who is their partner

How many employees

if they are a 501c3 where are they listed within the Texas Comptroller.

Head count of attendees at last event

when was last event, and where.

Mr. Pink responded to Councilmember Chens questions

He did not respond to who the partner was

He stated he used about 50 volunteers

Is a 501c3 and said it was not his first rodeo is a non profit with 6 board members

He did not provide a head count

did not provide a last event but did mention the Moody Gardens in May of 2016.

Councilmember Chen asked if he wishes to get this event done in 3 moths how does he intend to do it?

Mr. Pink responded that he knew his job.

Mayor Pro Tem Mathew stated that he has been listening to his two colleagues and they have some valid points. He did think that the rejection came because no one can make a decision without numbers and the answers to the questions have been completed.

Councilmember Rosas addressed Mr. Pink and asked what was the Red Cat Jazz Festival preservation.

Mr. Pink responded that it was a charity. Youth educational and youth musical camps.

Councilmembers went on to discuss the use of the Stafford Centre for the festival, use of the fields and parking lots as well as clarifying with legal counsel the ability for vendors to sell liquor.

Art Pertile, Legal Counsel cautioned City Council that what they decide must be the same course of action for all requestors to use the Centre.

Councilmember Rosas stated that her concern was that it was going to require a lot of advertising and promotion.

Mr. Pink stated that he was not feeling the energy and commitment from City Council so as it his reputation on the line he is not going to go forward with the event with Stafford.

Councilmember Herrera stated that while they are interested, its not a laughing matter and that as council they have a right and obligation to protect the public funds.

Mayor Willis invited members of the public to address City Council on this item.

Dr. Sam *inaudible*, Prairie View, City Council and could not understand why Stafford City Council were not on board with this co-sponsorship.

Mr. Pink left the meeting.

(b) No motion was made on this item.

4. Councilmember Herrera made a motion to Adjourn. Councilmember Chen duly seconded the motion. Mayor Willis called the roll for the vote. Mayor Willis, Mayor Pro Tem Mathew and Councilmembers Guerra, Rosas, Chen and Herrera voted "yes"; none against. Mayor Willis announced the result of the vote (6-0) and declared the motion approved. Councilmember Jones was absent.

THE MEETING ADJOURNED AT 8:38 PM.

ATTEST:

N Browe

Nicola Browe
Assistant City Secretary

Cecil Willis Jr

Cecil Willis Jr.
Mayor