

CITY DEVELOPMENT CORPORATION OF EL CAMPO
REGULAR MEETING
May 17, 2010

Board Members Present: Gwen Willis, Bobby Perez, Wesley Lange, Randy Collins, Alan Heskamp

Staff Present: Chandra Spenrath, Executive Director; Jessica Thane, Executive Assistant

CDC Attorney: Ronny Collins

Ex-Officios Present: Cecil Davis, El Campo Economic Development Corporation; John Steelman, City Manager

Others Present: Tony Miller; Phillip Spenrath; Phillip Hundl, El Campo Chamber of Commerce; Trista Lauritsen, Circle L Media; Frank Chacon, Cardell Cabinetry.

1. President Willis called the Meeting to order and noted a QUORUM at 3:05 pm.
2. The minutes from the Regular Meeting of April 19, 2010 were in the Board Book for approval.

Bobby Perez made the MOTION to approve the minutes of the Regular Meeting held on April 19, 2010 as presented. The Motion was Seconded by Wesley Lange and passed unanimously.

3. The bills and financial reports for the month of April were reviewed.
4. Review and discuss modified lease agreement with Cardell and take any necessary action.

Board Directors Randy Collins and Wesley Lange and Executive Director Chandra Spenrath indicated they had a conference call with Kim James, the CEO of Cardell Cabinetry. He requested a 3-month extension on the lease modification set to expire in May for forgiven lease rent. The El Campo location is current on all bills and employs five people. Mr. James also indicated that if the El Campo Cardell location started producing again during the 3-month extension, Cardell would start paying rent immediately.

MOTION was made by Bobby Perez to grant the 90-day extension to the lease modification. Alan Heskamp Seconded the Motion and it passed unanimously.

5. Discuss and take any necessary action regarding Marketing and Advertising
 - a. Discuss marketing partnership with El Campo Chamber of Commerce

Phillip Hundl with the El Campo Chamber of Commerce was present and stated that the Chamber allocated \$2,500 towards a marketing partnership with the CDC for billboard contracts. The Chamber is planning to fix up the Pierce billboard and would like to share a contract package with the CDC for billboards along the highways. CDC Attorney Ronny Collins advised that the CDC and Chamber would need to have separate contract agreements with the billboard company and the CDC billboards would need to represent the guidelines of the CDC.

After discussing what should be placed on the billboards, the Board came to the consensus to gather more information.

b. Circle L Media marketing update:

Trista Lauritsen handed out a sample of the completed promotional brochure. After reviewing the sample, the Board discussed changes they would like see made to the brochure before approving. Trista stated she could have the changes made and ready for presentation by the next meeting.

6. Discuss and review the Investment Policy of the City Development Corporation, take any necessary action.

A sample investment policy was in the Board Packet for review and possible action to bring the CDC in compliance with the Public Funds Investment Act. CDC Attorney Ronny Collins stated he reviewed the policy and advised that the Policy gave the President, Vice President and Executive Director of the Board authority for all investment decisions. Attorney Collins also advised that the policy included the City Finance Director as a member of the Investment Committee.

MOTION was made by Randy Collins and Seconded by Wesley Lange to approve the City Development Corporation Investment Policy with the following changes:

SECTION V. of CDC Investment Policy

The Investment Officers, consisting of CDC's President, Vice President and Executive Director, are designated as the Investment Officers of CDC and are responsible for investment management decisions and activities, **when authorized by the Board.**

The Investment Committee, consisting of ~~the City Finance Director acting on behalf of the City,~~ CDC's Executive Director and Treasurer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, require and include the "Bond Market Master Repurchase Agreements" (as applicable), wire transfer agreements, banking services contracts, and other investment related activities.

The Motion passed unanimously.

7. Update on Project Diamond/EC Little League, discuss and take any necessary action.

Executive Director Spenrath briefed the CDC Board, stating that the first ever CDC 4B Project (EC Little League) taken before the voters passed with a 465-239 vote.

Alan Heskamp made the MOTION that Executive Director Chandra Spenrath update the Board of Directors monthly on the status of the Little League Project. The Motion was Seconded by Randy Collins and passed unanimously.

8. Discuss and take possible action on expiring terms of CDC Board Members and consider making recommendations to City Council for the appointment of Board Members

The Board of the CDC discussed that the terms of Alan Heskamp, Randy Collins and Vice President Bobby Perez will expire in July. Bobby Perez is ineligible for reappointment due to term limits. Secretary/Treasurer Alan Heskamp indicated he would like to be reappointed for an additional term. The Board also stated that Andy Musgrove and Juan Arredondo have also previously expressed interest in appointment to the CDC Board. Director Randy Collins, who recently was elected to El Campo City Council, also indicated he would like to be reappointed to the Board for an additional term and stated that he recommends Pat Krpec, owner of Svatek vending, for appointment to the CDC

Board. President Willis and Vice President Perez expressed concern of the legality of a City Council member serving on a Council appointed Board. CDC Attorney Ronny Collins advised that there was not any legal issue with Director Randy Collins serving on the CDC Board and El Campo City Council. Secretary/Treasurer Alan Heskamp stated he would like an opinion from the Auditor clarifying any possible conflict, considering the City Council approves the CDC budget.

A MOTION was made by Bobby Perez and Seconded by Wesley Lange to Table the discussion and possible action on recommendations of CDC Board Members until an opinion from the Auditor was received. The Motion passed unanimously.

9. Recognition of Award to City Development Corporation of El Campo by Texas Economic Development Corporation for "Economic Excellence" in Fiscal Year 2008-2009.

Executive Director Spenrath presented an award for "Economic Excellence" the City Development Corporation received for Fiscal Year 2008-2009. This is the second year in a row the CDC has received the award.

10. President Gwen Willis opened EXECUTIVE SESSION at 4:28 PM to:

- A. Discuss and deliberate economic development negotiations, as authorized by TEX. GOV'T CODE ANN. 551.087, regarding Project CASE.
- B. Discuss personnel matters, as authorized by Section 551.074 of the Texas Government Code regarding Executive Director's performance review.

11. OPEN SESSION reconvened at 6:00 pm.

- A. Action taken regarding economic development negotiations:

Wesley Lange made a MOTION that due to the retention and addition of jobs the CDC support the CASE Implement expansion project and therefore commits to provide 1/3 of the estimated total cost of expanding utilities in the approximate amount of \$125,000. The utilities would be extended to the site and to the building provided that the site be annexed into the El Campo City Limits. The Motion died due to a lack of Second.

Wesley Lange made the MOTION that due to the retention and addition of jobs the CDC supports the CASE Implement expansion project and is willing to financial support up to 1/3 the estimated cost of expanding utilities to the site as needed in the approximate amount of \$142,000. Randy Collins Seconded the Motion.

After additional discussion, Director Wesley Lange withdrew his Motion.

Wesley Lange made the MOTION that due to the retention and addition of jobs the CDC supports the CASE Implement expansion project and is willing to financial support this Project up to \$142,000 for the extension of City utilities to the site and building. Randy Collins Seconded the Motion.

After additional discussion, Director Wesley Lange Amended his Motion as follows:

Wesley Lange made the MOTION due to the retention and addition of jobs the CDC supports the CASE Implement expansion project and is willing to financial support this Project up to 1/3 the estimated cost of \$425,000 which is the cost of City utilities to the site and building. Randy Collins Seconded the Motion.

After additional discussion regarding the wording of the Motion, Wesley Lange Amended his Motion to state “property line of the project location”. Randy Collins Seconded the Amendment. The Motion passed unanimously.

Final Motion made by Wesley Lange and Seconded by Randy Collins as follows:

Due to the retention and addition of jobs the CDC supports the CASE Implement expansion project and is willing to financial support this Project up to 1/3 the estimated cost of \$425,000 which is the cost of City utilities to the site and property line of the project location.

President Willis went back to Tabled Agenda Item #9.

12. Discuss and take possible action on expiring terms of CDC Board Members and consider making recommendations to City Council for the appointment of Board Members.

Executive Director Spenrath read an email statement from Steve VanManen with the auditing firm of Harrison, Waldrop & Uherek, LLP. Mr. VanManen stated that he did not see any issue at all with a council member serving on CDC Board and that in many communities it is common to have a council member serve on both.

Directors Alan Heskamp and Randy Collins both indicated they wanted to be reappointed for an additional term on the CDC Board. People suggested for the open seat were Juan Arredondo, Andy Musgrove and Pat Krpec.

MOTION was made by Alan Heskamp and Seconded by Wesley Lange to recommend to City Council the appointment of Pat Krpec and the reappointment of Alan Heskamp and Randy Collins to the CDC Board of Directors. The Motion passed 4:1 with Alan Heskamp, Randy Collins, Wesley Lange FOR and Bobby Perez AGAINST.

13. President Willis Adjourned the meeting at 6:32 pm.