

**Athens Economic Development Corporation
Board of Directors Meeting
Minutes for November 03, 2017**

The Board of Directors of the Athens Economic Development Corporation (hereafter referred to as AEDC) held a Board Meeting at 9:30 a.m. on Friday, November 03, 2017, in the Derek Daniels Board Room of the Athens Partnership Center, 201 W. Corsicana, Athens, Texas.

Directors present: Jeaneane Lilly, President, John Trent, Carmen Hunt, Will Traxson, Cliff Bomer and Randy Jones

Directors absent: Cliff Barrett

Staff present: Lisa Denton, Sherri Skeeters and Dede Sims

Ex Officio: Interim City Manager Gary Whittle

Guests: Thanasis Kombos and Rich Flowers

Call to Order

The meeting was called to order at 9:34 a.m. by President Jeaneane Lilly for all agenda items. A quorum was present.

Citizen & Special Guest Comments

None

Declaration of conflict of interest

Cliff Bomer stated a possible conflict with Item 13.B.

Consider discussion and possible approval of minutes from the following AEDC Meetings:

A. AEDC Board Meeting September 29, 2017

B. Investment Committee Meeting October 23, 2017

Will Traxson made a motion, seconded by John Trent, to approve both sets of minutes. Motion carried 6-0

Update regarding City of Athens Cultural Resources request for financial participation in the Texan Theater grand opening

Interim City Manager Gary Whittle distributed copies of the attorney opinion he had received from Scott Joslove, with Texas Hotel & Lodging Association, showing that he believed the event to be an eligible expense for Type B funding by AEDC.

Ms. Denton reported she had spoken with Carlton Schwab, President of TEDC, after reviewing the legal opinion from Mr. Joslove. Mr. Schwab said he believed the opinion to be incorrect and encouraged Ms. Denton to reach out to Zindia Thomas, former Assistant Attorney General and current General Counsel for Texas Municipal League. Ms. Thomas also teaches the Economic Development Sales Tax Workshops for TEDC every year. Ms. Thomas stated that AEDC's funding could only be utilized if Type B funding had been used to construct or renovate the facility. Only then could it be used for Operations and Maintenance. She also said the Board needs to consider whether or not such an event would bring business to Athens, TX.

Mr. Whittle and Mr. Kombos asked if the Board would be willing to consider the matter on an upcoming agenda. No action was taken, as this was an update item only.

Consider discussion and possible approval of the following items associated with AEDC Business Assistance Grant Program:

A. Application from Henderson County HELP Center & Maggie's House

This item was brought back to the Board from the September meeting for clarification. Of the improvements listed on the grant submission, only the lighting upgrades will qualify for the program, as they will be visible from Hwy 19 N. The work that is planned totals \$1200, and would qualify for a 50% matching grant of \$600, from the FY 2017 program.

John Trent made a motion to approve the Business Assistance Grant with Henderson County HELP Center & Maggie's House, in an amount not to exceed \$600, for lighting upgrades at the facility located at 807 Palestine St. This funding is to be allocated from the FY 2017 committed funds. Will Traxson seconded the motion and motion carried 6-0.

Compliance review of Economic Development Performance Agreement with the following:

A. CMH Manufacturing, Inc. d/b/a Clayton-Athens

The EDPA with CMH Manufacturing, Inc. called for capital investment of \$6,555,680 and up to 240 full time employees over a five year period. Ms. Denton noted that the investment value does not yet show on the appraisal district files, but should reflect for January 2018. Currently the company has 169 full time employees, with more than 50 meeting the hours requirement for year 1. Ms. Denton recommended ruling the Company in compliance and paying the first year job incentive of \$100,000.

A motion was made by Will Traxson, and seconded by Carmen Hunt, to rule CMH Manufacturing, Inc. d/b/a Clayton-Athens in compliance for year 1 and approve incentive payment of \$100,000 for job creation. Motion carried 6-0.

Consider discussion and possible approval of budget amendments for FY 2017

Ms. Denton reported one amendment that needed to be made in the FY 2016-17 budget, in preparation for the year-end audit. The budget reflected \$1,000,000 in revenue and expenditures, in conjunction with the Texas Capital Fund Grant that was approved. With the project having been put on hold by FutureMatrix, those revenues and expenditures need to be removed from the budget. This is a \$0 net effect on the FY 2016-17 budget.

Cliff Bomer made a motion to approve the budget amendments for FYE 2017. Will Traxson seconded the motion and motion carried 6-0.

Consider discussion and possible adoption of Corporate Resolution authorizing AEDC Board President and Secretary to sign on behalf of the organization

Will Traxson made a motion, seconded by John Trent, to adopt the Corporate Resolution. Motion carried 6-0.

Consider discussion and possible approval of AEDC Three Year Strategic Plan

Ms. Denton reported that this is the same draft that was sent out for review in late August. It was slated for the September 29th board meeting, but did not get on the agenda. Final approval is needed to have in place for January 1, 2018, and to allow use of the updated mission statement.

Cliff Bomer made a motion to approve the AEDC Three Year Strategic Plan 2018-2020. Carmen Hunt seconded the motion and motion carried 6-0.

Consider entering into Executive Session according to TEXAS GOVERNMENT CODE Chapter 551 to discuss following:

At 9:54 a.m., Jeaneane Lilly, AEDC President, announced that the Board would retire into Executive Session pursuant to the provisions of the TEXAS GOVERNMENT CODE Chapter 551, in accordance with the authority contained in the following sections:

- A. Section 551.072 – Deliberation regarding Real Property
Possible purchase of real property
- B. Section 551.074 – Deliberation of Personnel Matters
AEDC Executive Director Compensation
- C. Section 551.087 - Deliberation regarding Economic Development
Negotiations with the following prospects:
Prospect #1569

The board reconvened into Open Session at 10:47 a.m.

Consider discussion and possible action on items discussed under Agenda Item 11

John Trent made a motion to authorize the Real Estate Contract negotiated by AEDC President Lilly, for the purchase of 54.088 acres located at 1411 FM 1616, with a purchase price of \$432,704, plus closing costs. Cliff Bomer seconded the motion and motion carried 6-0.

Will Traxson made a motion, seconded by Carmen Hunt, to approve the Real Estate Contract negotiated by Executive Director Denton, for the purchase of 2.474 acres with existing 10,395 sq. ft. building located at 414 W. College St., with a purchase price of \$130,000, plus closing costs. Motion carried 6-0

Will Traxson made a motion to approve an incentive package for Prospect #1569, HVAC Manufacturing Inc., in an amount up to \$100,000. Prospect plans on making a capital investment of \$2,499,500 for two project expansions over the next two years and the addition of 21 full time jobs over a three year period. Cliff Bomer seconded the motion and motion carried 6-0.

John Trent made a motion to approve AEDC Executive Director bonus, in the amount of \$7,500, for FY 2015-16 projects, in accordance with employment contract. Will Traxson seconded the motion and motion carried 6-0.

Consider discussion and possible action on the following items recommended by AEDC Investment Committee:

A. Adoption of Resolution 17-1103 updating AEDC's Public Funds Investment Policy for FY 2017-18

Under Section V, the following was added to allowable investment options:

4. Local Investment Firms, with offices in Athens, Texas, that invest funds in national banks that are insured by FDIC;

Will Traxson made the motion to approve the above addition in the policy. John Trent seconded the motion and motion carried 6-0

B. AEDC depository accounts, CD's and long term liabilities

The investment committee suggested the AEDC Board approve paying off all loans, with the exception of the airport land loan through First State Bank. In addition, the committee recommended moving the 12 month CD that matures on 12-07-17 to Edward Jones, through an Athens office, as they have the highest interest rates compared to the stated rates from local banking institutions, and add funds from operating account to invest a total of \$1,000,000.

Further, the committee recommended setting up a pool account through Texpool or TexStar to transfer remaining monies, over \$200,000, from the operating account, with the goal of maintaining less than \$250,000 in that account. Ms. Denton will check on the set up of such account, as she is unsure whether or not it has to be initiated by the city.

Other board members were not in favor of paying off the debt, as interest rates have increased and AEDC would not be able to get as low of rates now or in the near future. There was a concession to pay off the 1010 W Corsicana note with First State Bank Brownsboro.

Cliff Bomer recommended requesting bids from the local banks on the CD rates and look for 1% or better. He felt it would be best for AEDC to keep its money local and use the highest yield.

Randy Jones made a motion that included the following:

- Use cash for the recently approved property purchases
- Payoff 1010 W. Corsicana note through First State Bank Brownsboro
- Initiate Pool account, to be tied in with AEDC operating account, with \$250,000
- Maintain 200,000 in local operating account
- Renew or move current CD to local bank with highest yield, determined from bids
- Invest additional funds remaining, after above points are taken into account, in local bank with highest yield

Cliff Bomer seconded the motion and motion carried 6-0.

Carmen Hunt, Secretary

Jeaneane Lilly, President