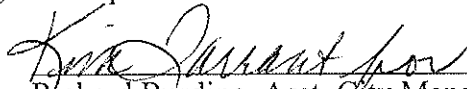


## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, July 22, 2008, in the Develop Abilene conference room, 174 Cypress St., Abilene, Texas, 3rd floor, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Richard Burdine, Asst. City Manager for Economic Development

## AGENDA

July 22, 2008  
1:30 p.m.

Develop Abilene Conference Room  
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of the minutes from the June 24, 2008 meeting.
3. Sales Tax report for July 2008 and Financial Status reports for June 2008.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

5. Adjournment

**CERTIFICATE**

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 2008, at \_\_\_\_\_.

\_\_\_\_\_  
City Secretary

**NOTICE**

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**JUNE 24, 2008**

<b>MEMBERS PRESENT:</b>	Joe Crawford Stan Lambert Paul Cannon	Dee Moore Mike Schweikhard
<b>STAFF PRESENT:</b>	Richard Burdine Pat McGinnis Mindy Patterson	Kim Tarrant Susan Campbell Stanley Smith
<b>GUEST PRESENT:</b>	Bill Ehrie Diane Terrell Doug Myers	Abilene Industrial Foundation Davis-Kinard Abilene Reporter-News

- 1. CALL TO ORDER.** Joe Crawford called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress, 3rd floor, Abilene, TX.
- 2. APPROVAL OF MINUTES FROM THE MAY 20, 2008 MEETING.** Dee Moore made a motion to approve the minutes from the May 20, 2008 meeting. Paul Cannon seconded and the motion carried.
- 3. SALES TAX REPORT FOR JUNE 2008 AND FINANCIAL STATUS REPORTS FOR APRIL AND MAY 2008.** Interim Finance Director Mindy Patterson reviewed these reports. The sales tax rebate for economic development for June 2008 is \$656,883.57 which is 2.31% above last year for the period of October through June. Cash and investments were almost \$19 million as of April 30, 2008 and the total fund balance was about \$51 million. The three largest expenditures in April were about \$1.1 million for the Spec 2/PWP expansion, almost \$133,000 for the accelerator land project, and about \$130,000 for construction of the Spec 3 building.
- 4. PRESENTATION BY DAVIS-KINARD & CO. OF AUDIT REPORT FOR FY2007.** Diane Terrell with Davis-Kinard presented this report relative to the DCOA portion of the City of Abilene's full audit. Total assets at the end of FY 2007 were approximately \$54 million which is 11.8% above FY 2006. Thirty-four percent of these assets are cash and investments, which increased \$4 million from FY '06. Notes receivable totaled over \$17 million which is an increase of almost \$2 million over FY '06. The DCOA's net assets were just over \$51 million, an increase of 10.9% over FY '06. Approximately \$11 million of the net assets is restricted for contractual obligations and the remaining \$22 million of the net assets is unrestricted and designated for future DCOA projects. Sales taxes increased \$435,000 over the prior year, representing a 5.5% increase over FY 2006. For FY 2007 the DCOA had an excess of revenues over expenditures (budget basis) of a little over \$5 million.
- 5. APPOINTMENT OF 2008 PROJECT EVALUATION AND BUDGET & FINANCE COMMITTEES OF THE DCOA.** The following were appointed by DCOA President Joe Crawford to the Budget & Finance Committee and the Project Evaluation Committee: DCOA board members Stan Lambert and Mike Schweikhard (with board member Paul Cannon as a backup to either board member in their absence), Charlie Black, John Stearns, Dani Ramsay, Marelyn Shedd, and Tucker Bridwell and Ray Ferguson.

Paul Cannon moved to approve the above appointees to said committees. Dee Moore seconded and the motion carried.

**6. This item was tabled until after Executive Session.**

- 7. EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

The date is June 24, 2008 and the time is 1:41 p.m. The date is still June 24, 2008 and the time is 3:10 p.m. No vote or action was taken in Executive Session.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT DC.** Project DC is intended to establish a research institute in Abilene. Ongoing negotiations preclude disclosure of the company name, location and type of research conducted at this time. Staff proposes the following assistance package: total funding of \$1,365,000 in exchange for the creation of 14 research jobs and the attraction of substantial external research funding to Abilene as follows: maximum funding of \$750,000 paid over five years to leverage about \$3 million in company expenditures on research personnel and overhead in the same time period; and maximum funding of \$615,000 over five years to leverage approximately \$4.1 million in external funding (brought in by Project DC) for research to be conducted in Abilene.

Stan Lambert moved to approve Resolution DCOA-2008.16 with total funding of \$1,365,000 as presented above, and with Part 3 of said resolution changed to read “The Chief Executive Office of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate any contract and all other related documents on behalf of the DCOA”, deleting the words “enter into and execute”. Mr. Burdine will negotiate the contract and bring it back before the DCOA Board for final approval. Mike Schweikhard seconded the motion and it passed by unanimous consent.

In additional business, Richard Burdine reviewed a Management Report – Pro Forma Cash Balance covering FY08-FY12. Projected sales tax revenues were calculated at a 3% increase each year.

- 8. ADJOURNMENT.** The next meeting will be July 22, 2008. There being no further business, the meeting was adjourned.

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Joe Crawford, President

**MEMORANDUM**

July 14, 2008

**TO:** Larry D. Gilley, City Manager  
Evalin E. McClain, Assistant City Manager

**FROM:** Mindy Patterson, Interim Director of Finance

**SUBJECT:** July Sales Tax

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The sales tax rebate for July is \$2,738,813.76, which represents May sales. This is 3.35% above last year. The breakdown of the July rebate is \$2,054,110.32 to the General Fund and \$684,703.44 for economic development. Of this rebate, \$72,238 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 2.41% above last year for the period of October through July. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

cc: Richard Burdine, Assistant City Manager  
David Vela, Assistant City Manager

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**1/2 CENT SALES TAX REVENUE**  
***FY 2008: Monthly and Year-to-Year Comparisons***

<b>Accounting Period Month</b>	<b>Actual 2006-07</b>	<b>Actual 2007-08</b>	<b>% Change</b>
October	\$650,474	\$676,406	3.99%
November	743,127	764,578	2.89%
December	604,413	644,727	6.67%
January	625,876	626,702	0.13%
February	903,464	977,610	8.21%
March	599,070	599,437	0.06%
April	640,761	598,138	-6.65%
May	851,472	824,194	-3.20%
June	606,355	656,884	8.33%
July	662,492	684,703	3.35%
YTD	<b>\$6,887,504</b>	<b>\$7,053,379</b>	<b>2.41%</b>
August	782,947		
September	671,098		
FY TOTAL	<b>\$8,341,549</b>		

Note: Report reflects the month sales tax is received from Austin.  
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect  
GASB 33 requirement in addition to the budget basis.

Revenue for July '08 represents May '08 sales. Approximately  
\$18,060 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State  
Comptroller every month and smaller ones either quarterly or annually. The  
Comptroller audits the books of these businesses on a four year cycle to  
determine if sales tax was collected on all taxable sales. Audit collections  
represent the sales tax revenue from prior sales and submitted or refunded  
subsequent to the audit.

3.2

**CITY OF ABILENE  
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2006-07	Actual 2006-07		Actual 2007-08	Actual 2007-08	
October	\$1,951,422.77	\$650,474.25	\$2,601,897.02	\$2,029,217.53	\$676,405.84	\$2,705,623.37
November	2,229,381.42	743,127.14	2,972,508.56	2,293,733.19	764,577.73	3,058,310.92
December	1,813,239.09	604,413.03	2,417,652.12	1,934,180.44	644,726.81	2,578,907.25
January	1,877,628.47	625,876.16	2,503,504.63	1,880,105.59	626,701.86	2,506,807.45
February	2,710,392.23	903,464.08	3,613,856.31	2,932,831.13	977,610.37	3,910,441.50
March	1,797,210.64	599,070.21	2,396,280.85	1,798,311.71	599,437.23	2,397,748.94
April	1,922,282.36	640,760.78	2,563,043.14	1,794,413.90	598,137.96	2,392,551.86
May	2,554,414.62	851,471.54	3,405,886.16	2,472,581.86	824,193.95	3,296,775.81
June	1,819,065.78	606,355.26	2,425,421.04	1,970,650.71	656,883.57	2,627,534.28
July	1,987,476.01	662,492.00	2,649,968.01	2,054,110.32	684,703.44	2,738,813.76
<b>YTD</b>	<u>\$20,662,513.39</u>	<u>\$6,887,504.45</u>	<u>\$27,550,017.84</u>	<u>\$21,160,136.38</u>	<u>\$7,053,378.76</u>	<u>\$28,213,515.14</u>
August	2,348,841.11	782,947.03	3,131,788.14			
September	2,013,292.73	671,097.58	2,684,390.31			
<b>FY TOTAL</b>	<u>\$25,024,647.23</u>	<u>\$8,341,549.06</u>	<u>\$33,366,196.29</u>			

NOTE: REPORT REFLECTS THE MONTH SALES TAX IS RECEIVED FROM AUSTIN. REVENUE IS RECORDED ON THIS BASIS FOR BUDGETARY PURPOSES.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) WILL REFLECT GASB 33 REQUIREMENT IN ADDITION TO THE BUDGET BASIS.

June 2008

Balance Sheet & Status of Funds Reports  
will be presented during the Board meeting.