

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. (DCOA) will be held on Tuesday, July 14, 2015, Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED: 
Kent Sharp, CEO of the DCOA

AGENDA

July 14, 2015
1:30 p.m. Abilene Laboratories
1325 Pine St., Abilene, TX

1. Call the meeting to order.
2. Approval of minutes from the June 23, 2015, board meeting.
3. Sales Tax report for July 2015 and Status of Funds report for May 2015.
4. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.
5. Discussion and possible approval of a resolution authorizing a settlement agreement with Receptor Logic, Inc.
6. 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 _____, 2015, 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 23, 2015

MEMBERS PRESENT: Dave Copeland Marelyn Shedd John Beckham
Dani Ramsay

MEMBER ABSENT: Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Stanly Smith Mindy Patterson

GUESTS PRESENT: Judy Wilhelm - Small Business Development Center
Jason Smith - Abilene Chamber of Commerce/
Abilene Industrial Foundation
Justin Jaworski - Abilene Industrial Foundation
Brian Bethel - Abilene Reporter News
Kate Alvarez - Abilene Regional Airport
Don Green - Abilene Regional Airport
Brian Bethel - Abilene Reporter News

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:32 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.

2. APPROVAL OF MINUTES FROM THE MAY 26, 2015, BOARD MEETING: John Beckham moved to approve the minutes from the May 26, 2015, board meeting with a date correction in item #6. Marelyn Shedd seconded and the motion carried.

3. SALES TAX REPORT FOR JUNE 2015: Mindy Patterson, Director of Finance, presented the sales tax report for June 2015. The sales tax rebate for June was \$3,291,820, which represents April sales. The General Fund received \$2,468,865 and \$822,955 was allocated for economic development. This is 6.46% above last year and 4.37% above the projected FY 15 budget. For the period of October through June 2015, sales tax is 6.07% above last year and 3.99% above the projected FY 15 budget amount.

6. DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2016: Kent Sharp, CEO of the DCOA, presented to the board the proposed budget for FY 2016. The budget has a new format giving more detailed information and easier comprehension. Dave Copeland noted there was a slight increase in the expense budget but very little change overall. Marelyn Shedd pointed out a large expense for roof replacement at the Pactiv building in Five Points in next year's budget that normally would not be included with property maintenance. The budget approved by the board will go before the City Council for their final approval.

5. PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FY 2016: President Dave Copeland announced the opening of a Public Hearing at 1:41 pm and closed the Public Hearing at 1:41 pm. There were no speakers that came forward.

6. DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2016: After the public hearing Marelyn Shedd made the motion to approve the Budget for FY 2016 as presented. Dani Ramsay seconded and motion carried.

4. EXECUTIVE SESSION – SESSION 1: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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.

President Dave Copeland announced the date is June 23, 2015, and the time is 1:44 p.m. Later, President Copeland announced the date is still June 23, 2015, and the time is 2:17 p.m. No vote or action was taken in Executive Session.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING CHANGES TO THE DCOA’S BYLAWS: Mr. Sharp explained the DCOA was created in 1989, and the bylaws were last revised in 1995. The DCOA has grown since the last revision and updates are necessary to better reflect current business conditions and procedures. Dave Copeland, Kent Sharp and the legal department of the City of Abilene, with assistance from Jeff Moore, attorney with Brown & Hofmeister, LLP, updated the DCOA’s bylaws. With approval of the board members the revised bylaws will go before the City Council as a recommendation and will not become effective until approved by the City Council.

John Beckham moved to approve resolution DCOA-2015.13 authorizing the proposed revisions to the DCOA’s bylaws with a noted change to the resolution language. In Part 1, Item C, the language was changed from “...total at least \$250,000” to “...exceed \$249,999”. Marelyn Shedd seconded and the motion carried.

8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR AN INDUSTRIAL WORKFORCE TRAINING PROGRAM IN PARTNERSHIP WITH ABILENE INDEPENDENT SCHOOL DISTRICT AND CISCO COLLEGE: Kent Sharp presented to the board for approval funding for a workforce training program to be offered in conjunction with the Taylor County School Districts (not just AISD) and Cisco Junior College. After visiting with local employers training is needed in the areas of HVAC, plumbing, electrical, welding and industrial maintenance. It became obvious an ongoing workforce training program for these skills would immediately benefit current businesses. High school juniors and seniors will be recruited for training in these skills sets, which will provide those students with a desire to enter the workforce after high school the opportunity for immediate employment with good wages. This training will also help demonstrate to prospective employers that a trained workforce will be available if they decide to come to Abilene. Staff proposes funding of \$40,000 for the first year of the program, which will begin this fall.

Dani Ramsay moved to approve resolution DCOA-2015.14 with language changes that clarify the training will be available to other Taylor County students, not just AISD, and program participation is not contingent on establishment of financial need. John Beckham seconded and motion carried.

9. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING AN OFFER OF SETTLEMENT MADE BY CARBONLITE RECYCLING, LLC: Stanley Smith, Assistant City Attorney, presented an offer from

CarbonLITE through their attorney to settle on existing agreements between CarbonLITE and the DCOA. CarbonLITE would release the claims between them and the DCOA, with the DCOA retaining the lease deposit made with the DCOA to settle the dispute. Staff requested the board allow Kent Sharp the authority to execute any documents in regard to the agreement with CarbonLITE.

Dave Copeland moved to accept by oral resolution the offer from CarbonLITE Recycling and authorize Kent Sharp, CEO, to execute final documents on behalf of the DCOA. Dani Ramsay seconded and the motion carried.

4. EXECUTIVE SESSION – SESSION 2: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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.

President Dave Copeland announced the date is June 23, 2015, and the time is 2:27 pm. Later, President Copeland announced the date is still June 23, 2015, and the time is 3:45 pm. No vote or action was taken in Executive Session.

10. ADJOURNMENT: There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

July 8, 2015

TO: Robert Hanna, City Manager
FROM: Mindy Patterson, Director of Finance
SUBJECT: July Sales Tax

The sales tax rebate for July is \$3,115,248.77 which represents May sales. This is 1.95% below last year and 3.72% below the projected FY 15 budget amount. The breakdown of the rebate is \$2,336,436.58 to the General Fund and \$778,812.19 for economic development. Of this rebate, \$56,833 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through July, sales tax is 5.30% above last year and 3.25% above the projected FY 15 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

Cc: David Vela, Deputy City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2013-14	Actual 2013-14		Actual 2014-15	Actual 2014-15	
October	\$2,445,377.87	\$815,125.96	\$3,260,503.83	\$2,605,980.73	\$868,660.24	\$3,474,640.97
November	2,690,282.27	896,760.76	3,587,043.03	2,963,660.77	987,886.92	3,951,547.69
December	2,299,504.67	766,501.56	3,066,006.23	2,510,766.92	836,922.30	3,347,689.22
January	2,232,726.16	744,242.05	2,976,968.21	2,394,359.96	798,119.98	3,192,479.94
February	3,184,058.27	1,061,352.76	4,245,411.03	3,411,247.43	1,137,082.47	4,548,329.90
March	2,231,833.90	743,944.63	2,975,778.53	2,278,078.73	759,359.57	3,037,438.30
April	2,178,587.64	726,195.88	2,904,783.52	2,201,001.23	733,667.07	2,934,668.30
May	2,944,225.82	981,408.61	3,925,634.43	3,058,881.51	1,019,627.17	4,078,508.68
June	2,319,035.66	773,011.89	3,092,047.55	2,468,865.01	822,955.00	3,291,820.01
July	2,382,921.14	794,307.05	3,177,228.19	2,336,436.58	778,812.19	3,115,248.77
YTD	\$24,908,553.40	\$8,302,851.15	\$33,211,404.55	\$26,229,278.87	\$8,743,092.91	\$34,972,371.78
August	2,900,442.34	966,814.11	3,867,256.45			
September	2,537,417.37	845,805.79	3,383,223.16			
FY TOTAL	\$30,346,413.11	\$10,115,471.05	\$40,461,884.16			

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

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

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

Accounting Period Month	Actual 2013-14	Actual 2014-15	% Change
October	\$815,126	\$868,660	6.57%
November	896,761	987,887	10.16%
December	766,502	836,922	9.19%
January	744,242	798,120	7.24%
February	1,061,353	1,137,082	7.14%
March	743,945	759,360	2.07%
April	726,196	733,667	1.03%
May	981,409	1,019,627	3.89%
June	773,012	822,955	6.46%
July	794,307	778,812	-1.95%
YTD	\$8,302,851	\$8,743,093	5.30%
August	966,814		
September	845,806		
FY TOTAL	\$10,115,471		

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 revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

Revenue for July '15 represents May '15 sales. Approximately \$14,208 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.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Five Year Comparison

Accounting Period Month	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
October	\$661,859	\$890,386	\$855,868	\$815,126	\$868,660
November	774,838	964,808	891,956	896,761	987,887
December	647,119	725,276	773,104	766,502	836,922
January	693,114	941,066	728,710	744,242	798,120
February	978,890	1,175,879	1,012,685	1,061,353	1,137,082
March	646,308	732,189	821,529	743,945	759,360
April	641,310	769,064	800,963	726,196	733,667
May	948,413	977,461	965,056	981,409	1,019,627
June	741,634	766,944	827,415	773,012	822,955
July	749,767	756,886	826,951	794,307	778,812
YTD	<u>\$7,483,252</u>	<u>\$8,699,959</u>	<u>\$8,504,238</u>	<u>\$8,302,851</u>	<u>\$8,743,093</u>
August	1,013,393	920,096	927,272	966,814	
September	799,173	800,200	797,862	845,806	
FY TOTAL	<u><u>\$9,295,819</u></u>	<u><u>\$10,420,256</u></u>	<u><u>\$10,229,372</u></u>	<u><u>\$10,115,471</u></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 revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

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DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
May 31, 2015 and 2014

	May 2015	May 2014
Current Assets:		
Cash and cash investments	\$ 18,013,626	\$ 19,111,351
Accounts receivable	173,059	35,293
Due from other governments	1,847,609	1,702,786
Total Current Assets	20,034,294	20,849,430
Noncurrent Assets:		
Notes receivable	15,570,783	17,952,486
Capital assets	47,929,002	44,144,817
Accumulated depreciation	(8,633,256)	(7,776,020)
Total capital assets, net	39,295,746	36,368,797
Total Noncurrent Assets	54,866,529	54,321,283
Total Assets	\$ 74,900,823	\$ 75,170,713
Liabilities		
Current:		
Accounts payable	\$ 384,902	\$ 51,679
Total Current Liabilities	384,902	51,679
Total Liabilities	384,902	51,679
Net Position		
Net Investment in capital assets	39,295,746	36,368,797
Restricted for contractual obligations	27,519,944	35,307,739
Unrestricted, designated for purposes of trust	7,700,231	3,442,498
Total Net Position	74,515,921	75,119,034
Total Liabilities and Net Position	\$ 74,900,823	\$ 75,170,713

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For eight months ending May 31, 2015 and 2014

	May 2015	Fiscal YTD 2015	Fiscal YTD 2014
Revenues:			
Sales and use taxes	\$ 1,019,627	\$ 7,141,326	\$ 6,735,532
Interest income	4,174	100,164	24,597
Building rental / land lease	91,512	709,329	748,408
Sale of land	-	163,635	231,163
Miscellaneous revenue	12,109	541,910	142,072
Total Revenues	<u>1,127,422</u>	<u>8,656,364</u>	<u>7,881,772</u>
Expenses:			
Economic development projects	893,191	7,074,560	3,987,366
Life Sciences property maintenance	117,157	431,667	389,257
DCOA property maintenance	15,258	167,136	237,476
Abilene Industrial Foundation	37,428	251,904	419,141
TTU Small Business Development Center	15,206	97,500	123,000
Chamber Military Affairs	25,503	186,204	18,313
Airport Business Development Manager	13,126	58,151	86,512
General administrative services	51,760	351,292	453,343
Total Expenditures	<u>1,168,629</u>	<u>8,618,414</u>	<u>5,714,408</u>
Changes In Net Position	(41,207)	37,950	2,167,364
Net Position at Beginning of Period	<u>74,557,128</u>	<u>74,477,971</u>	<u>72,951,670</u>
Net Position at End of Period	<u>\$ 74,515,921</u>	<u>\$ 74,515,921</u>	<u>\$ 75,119,034</u>

Summary of Current Period Economic Development Projects:

Broadwind Services- Principal Reduction	\$ 140,000
Hangar Doghouse A/E	11,216
Hangar Doghouse Construction	586,690
EASI De-Fuel Truck	1,750
Fehr Foods '14	53,426
BWJ Consulting	75,109
DCOA Strategic Planning	25,000
Total	<u>\$ 893,191</u>

Development Corporation of Abilene
Economic Program Status
As of May 31, 2015

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Murf Systems	4998	\$ 235,665	\$ 235,665	\$ -	\$ -
TTU Pharmacy School	5242	1,608,998	1,524,992	84,006	-
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
Run Energy	5295	65,431	-	65,431	-
TTU 842 Pine	5308	532,998	532,998	-	-
Enavail, LLC	5316	386,240	386,240	-	-
Energy Maintenance Serv (Broadwind Serv)	5319	902,500	762,500	140,000	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	217,260	211,483	5,777	-
Petrosmith Ph 1, 3 & 4	5330	640,360	418,700	221,660	-
Petrosmith Ph 5	5330.1	-	-	-	-
TTUHSC School of Nursing	5331	537,517	537,517	-	-
Vine St. Fehr Foods Improvements	5335.10	147,214	9,400	135,814	2,000
Fehr Foods '12	5340	510,000	340,000	170,000	-
Rentech '12	5342	173,800	173,800	-	-
Pactiv Compressor Construction	5344.2	335,306	335,306	-	-
Owens Machine & Tool	5345	151,000	35,363	29,318	86,319
Biotech Marketing and PR Plan	5346	118,400	117,076	125	1,199
Hangar Doghouses A/E	5348.1	423,000	235,156	55,396	132,448
Hangar Doghouses Construction	5348.2	2,732,618	247,560	1,752,143	732,915
Enterprise Dr. Extension A/E	5352.1	889,462	889,462	-	-
Enterprise Dr. Extension Construction	5352.2	276,792	276,792	-	-
EASI De-Fuel Truck	5354	64,260	35,000	12,250	17,010
Fehr Foods ' 13	5356	240,000	74,272	74,272	91,456
Tucker Energy Services	5359	504,327	-	91,030	413,297
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
Five Points Survey	5360	42,484	42,484	-	-
Five Pts / Pdaris Dr A/E	5362.1	59,565	59,565	-	-
Polaris Drive Construction	5362.2	1,064,100	593,725	408,485	61,890
5 Pts RR Expansion	5363.1	30,800	-	11,000	19,800
Spec 3 Finish Out A/E	5364.1	763,101	410,100	198,289	154,712
Spec 3 Finish Out Construction	5364.2	12,162,750	835,058	1,037,352	10,290,340
842 Pine Boiler Replacement A/E	5365.1	76,285	70,712	5,573	-
842 Pine Boiler Replacement Equipment	5635.2	312,300	186,846	103,469	21,985
842 Pine Boiler Construction	5635.3	868,820	691,301	137,865	39,654
CarbonLITE Industries	5366	6,196,000	-	-	6,196,000
Fehr Foods Expansion	5368	4,123,000	-	1,501,959	2,621,041
Broadwind Towers 2014	5373	1,537,748	-	99,222	1,438,526
Fast Track Welding '14	5375	154,702	154,702	-	-
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	12,745	-	64,972
Fehr Foods 14	5378	200,000	-	53,426	146,574
Gift Card System	5379	82,100	-	22,340	59,760
TTUHSC FY 15 ExperImmune	5380	1,029,012	888,050	60,493	80,469
Fulwiler Land Purchase	5381	496,807	4,800	488,256	3,751
BWJ Consulting	5382	619,000	-	75,109	543,891
Dyess Telecomm Upgrade	5383	23,000	6,935	-	16,065
Pine St. Buildings - Hail Damage	5384.1	10,000	-	9,500	500
Pine St. Buildings - Construction	5384.2	449,690	-	-	449,690
Datroo Technologies	5385	280,750	-	-	280,750
DCOA Strategic Planning	5386	130,000	-	25,000	105,000
Subtotal Economic Program Obligation Reserve		\$ 47,221,978	\$ 14,121,695	\$ 7,074,560	\$ 26,025,723

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**Development Corporation of Abilene
Economic Program Status
As of May 31, 2015**

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Plus Administrative Division Obligations:					
Business Services Division	Division 2760	665,640	-	351,292	314,348
Life Sciences Property Maintenance	Division 2765	597,780	-	431,667	166,113
DCOA Property Maintenance	Division 2775	324,430	-	167,136	157,294
Abilene Industrial Foundation	Division 2775	604,775	-	251,904	352,871
TTU Small Business Dev Center	Division 2775	250,000	-	97,500	152,500
Chamber Military Affairs	Division 2775	397,000	-	186,204	210,796
Airport Business Development Manager	Division 2775	198,450	-	58,151	140,299
Subtotal Administrative Divisions Obligation Reserve		\$ 3,038,075	\$ -	\$ 1,543,854	\$ 1,494,221
Total reserve for obligated programs					<u>\$ 27,519,944</u>

DCOA Board approved projects waiting for signed contracts:

		Expiration Date
Dyess JLUS	\$ 50,000	6/17/15
TTUHSC School of Public Health	<u>1,951,431</u>	8/24/15
	<u>\$ 2,001,431</u>	

Item #5

Will be provided during the meeting.