

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Wednesday, July 18, 2018, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA

July 18, 2018
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from the June 28, 2018, board meeting.
3. Sales tax report for July 2018.
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 of the matters listed, as authorized by the Texas Government Code Sections:
 1. 551.071 (Consultation with Attorney)
 - A. Outstanding insurance claims including, but not limited to, contracts for roof replacement, roof repairs, roof design and roof monitoring services on Vine St. buildings located at 4009, 4109 and 4125 Vine St., and hangars and other structures at the Abilene Regional Airport, Abilene, Texas.
 - B. Prairie Dog Pet Products project
 - C. Contract with BrightFarms, Inc. and TEX Greenhouse, LLC
 2. 551.072 (Deliberations about Real Property) and 551.071 (Consultation with Attorney)
 - A. Acquisition of properties in West Abilene
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development) and 551.071 (Consultation with Attorney)
 - A. Eagle Aviation Services lease negotiations and Hangar 2 expansion
 - B. Lone Star Canvas & Sign Works and/or Lone Star Dry Goods Co.
5. Discussion and possible approval of a resolution authorizing funds for additional streetlights in the Five Points Business Park.
6. Discussion and possible approval of a resolution authorizing amended financial assistance for Lone Star Canvas & Sign Works and/or Lone Star Dry Goods Co.

7. Discussion and possible approval of a resolution authorizing the purchase of properties in West Abilene and authorization to expend funds for repairs and cleaning.
8. Discussion and possible approval of a DCOA revised budget for FY 2018 and new budget for FY 2019.
9. Discussion of the next monthly board meeting.
10. 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 _____, 2018, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact the Development Corporation of Abilene, Inc., (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 26, 2018

MEMBERS PRESENT: John Beckham Jack Rich Greg Blair
Seaton Higginbotham

MEMBERS ABSENT: Vic Corley

STAFF PRESENT: Kent Sharp Kim Tarrant

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
Chris Shelton McMahon Surovik Suttle, PC
Mike Rains City of Abilene Finance
Justin Jaworski Abilene Industrial Foundation
Doug Williamson Abilene Chamber MAC
Kim Pamplin Abilene Christian University
Rendi Hahn Abilene Christian University
Aaron Robison Abilene Christian University
Brian Bethel Abilene Reporter News

- 1. CALL THE MEETING TO ORDER:** President John Beckham called the meeting to order at 1:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.
- 2. APPROVAL OF MINUTES FROM THE May 24, 2018, BOARD MEETING:** Seaton Higginbotham moved to approve the minutes from the May 24, 2018, board meeting with the noted change. Jack Rich seconded and the motion carried.
- 3. SALES TAX REPORT FOR JUNE 2018 AND FINANCIAL REPORT FOR APRIL 2018 AND MAY 2018:** Mike Rains with the City's Finance department presented the sales tax report for June 2018. The sales tax rebate for June is \$3,355,358.04, which represents April sales. Economic Development received \$838,839.51, which is 9.26% above last year and 9.26% above the projected FY18 budget amount. Of this rebate, \$171,692.36 is from prior periods, audit payments, future payments and unidentified payments. For the period of October through June, sales tax is 10.97% above last year and 10.97% above the approved FY18 budget amount. The DCOA's total current assets as of April 30, 2018, were \$29,886,906. The April revenues totaled \$899,293 and total expenditures were \$912,871 with \$708,896 being spent on five different projects. The DCOA's total current assets as of May 31, 2018, were \$30,483,550. The May revenues totaled \$1,345,967 and total expenditures were \$808,597 with \$540,822 being spent on eight different projects.
- 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 John Beckham announced the date is June 26, 2018 and the time is 1:40 p.m. Later, President Beckham announced the date is still June 26, 2018 and the time is 2:00 p.m. No vote or action was taken in Executive Session.

When returning to open session, Mark Zachary, attorney for the DCOA, stated that for the convenience of the parties present at the meeting, the board desired to consider the action items in open session at that time and that that once the action items had been discussed and considered, the board would then go back into executive session concerning other items set forth in the executive session section of the agenda.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT NEXT: Kent Sharp, CEO of the DCOA stated before a vote was taken on this item, several members of the NEXT Lab (Nuclear Engineering eXperimental Testing) were present and would be able to address the nature of the project in more detail. Mr. Sharp then introduced Dr. Kim Pamplin, Chair of the Chemistry and Biochemistry Department at Abilene Christian University (ACU).

Dr. Pamplin spoke about NEXT Lab, which is looking for the next generation of nuclear power. In the 1960's, Oakridge National Laboratories demonstrated a molten salt reactor is safer than its nuclear counterpart. It is more efficient and has several benefits: 1) clean electricity; 2) ability to make clean purified water from otherwise impure water; and, 3) medically useful isotopes which are in high demand in the medical community. More knowledge is needed on extracting the isotopes for use in cancer research. Fundraising efforts have been made and to date \$589,000 has been committed by private donors from Abilene and another from Midland. Match funds from the Legett and Kickapoo Springs Foundations and possibly DCOA funding are necessary to progress molten salt reactors to the next phase of development.

Before a vote was taken, Mark Zachary spoke briefly about the laws governing conflict of interest with regard to DCOA board members. He also stated that Jack Rich announced before leaving the room during the first executive session that he is employed by an organization associated with ACU and that he would abstain from voting on this item. Jack Rich returned to the meeting for the open session discussion. Mr. Sharp requested approval of resolution DCOA-2018.21, which was handed out at the beginning of the meeting, authorizing \$300,000 match funds for NEXT Lab and requesting that ACU seek the remaining \$300,000 from other donors. NEXT Lab will go before the City Council for presentation and final approval on July 12, 2018.

Seaton Higginbotham moved to approve resolution DCOA-2018.21 authorizing \$300,000.00 as match funding for the NEXT lab project contingent on at least \$300,000 being funded by the Legett and Kickapoo Springs Foundations. Greg Blair seconded, and the motion passed with Jack Rich abstaining from the vote.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDS FOR ADDITIONAL STREETLIGHTS IN THE FIVE POINTS BUSINESS PARK: Greg Blair announced he is an employee of AEP Texas and would abstain from voting on this item. Mr. Blair then left the room. Kent Sharp reminded the board that on January 22, 2018, resolution DCOA-2018.09 was approved, which authorized \$80,560 to install twelve (12) streetlights in the Five Points Business Park along Polaris St. and Five Points Parkway. The request was then submitted to the City, and the City Traffic Services Department now requires two additional streetlights be installed on Five Points Parkway at the two curves. The cost for the additional streetlights is \$41,235 because of the distance of each light from a power source and other obstacles. After further discussion the board

decided to skip this item until further communication with the City. Greg Blair then returned to the meeting.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT TO EXTEND AN ATMOS ENERGY NATURAL GAS LINE INTO THE ACCESS BUSINESS PARK: A meeting memo and resolution DCOA-2018.22 were handed-out at the beginning of the meeting. Kent Sharp presented a request to approve a contract with J&N Utilities to extend a natural gas line into the Access Business Park for a contract amount of \$73,987. This will involve boring under FM 18 and coming into the Park along the right of way for Tower View Dr. Three Atmos-approved contractors were contacted for bids with J&N Utilities of Abilene being low bidder. Also required is \$1,500 to pay Enprotec/Hibbs & Todd to provide construction staking plus a \$11,100 construction contingency, bringing the total funding to \$86,587.

Jack Rich made the motion to approve resolution DCOA-2018.22 authorizing a contract with J&N Utilities to extend an ATMOS Energy gas line into the Access Business Park and \$86,587. Greg Blair seconded, and the motion passed.

8. DISCUSSION AND POSSIBLE APPROVAL OF A DCOA REVISED BUDGET FOR FY 2018 AND NEW BUDGET FOR FY 2019: This item was skipped.

9. 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 John Beckham announced the date is June 26, 2018 and the time is 2:42 p.m. Later, President Beckham announced the date is still June 26, 2018 and the time is 3:37 p.m. No vote or action was taken in Executive Session 2.

10. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA Board would be Wednesday, July 18, 2018, at 1:30 p.m.

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

John Beckham, President

MEMORANDUM

July 11, 2018

TO: Robert Hanna, City Manager
FROM: Mike Rains, Director of Finance
SUBJECT: July Sales Tax

The sales tax rebate for July is \$3,543,641.47 which represents May sales. This is 10.02% above last year and 16.93% above the projected FY 18 budget amount. The breakdown of the rebate is \$2,657,731.10 to the General Fund and \$885,910.37 for economic development. Of this rebate, \$109,621.31 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through July, sales tax is 10.88% above last year and 11.51% above the approved FY 18 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

Cc: Mindy Patterson, Deputy City Manager
Michael Rice, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2016-17	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2017-18
	Actual 2016-17	Actual 2016-17		Actual 2017-18	Actual 2017-18	
October	\$2,511,352.80	\$837,117.60	\$3,348,470.40	\$2,638,770.11	\$879,590.03	\$3,518,360.14
November	2,792,056.28	930,685.42	3,722,741.70	2,893,562.65	964,520.88	3,858,083.53
December	2,243,907.19	747,969.06	2,991,876.25	2,395,055.97	798,351.99	3,193,407.96
January	2,379,642.60	793,214.20	3,172,856.80	2,575,873.17	858,624.39	3,434,497.56
February	3,277,055.77	1,092,351.92	4,369,407.69	4,177,134.62	1,392,378.21	5,569,512.83
March	2,271,451.66	757,150.55	3,028,602.21	2,735,613.92	911,871.30	3,647,485.22
April	2,280,576.71	760,192.23	3,040,768.94	2,397,121.59	799,040.53	3,196,162.12
May	3,048,245.25	1,016,081.75	4,064,327.00	3,313,759.56	1,104,586.52	4,418,346.08
June	2,303,207.45	767,735.82	3,070,943.27	2,516,518.53	838,839.51	3,355,358.04
July	2,415,625.09	805,208.36	3,220,833.45	2,657,731.10	885,910.37	3,543,641.47
YTD	\$25,523,120.80	\$8,507,706.91	\$34,030,827.71	\$28,301,141.22	\$9,433,713.73	\$37,734,854.95
August	\$3,000,777.33	\$1,000,259.11	\$4,001,036.44			
September	2,440,024.41	813,341.47	\$3,253,365.88			
	<u>\$30,963,922.54</u>	<u>\$10,321,307.49</u>	<u>\$41,285,230.03</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.

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

Accounting Period Month	Actual 2016-17	Actual 2017-18	% Change
October	\$837,118	\$879,590	5.07%
November	930,685	964,521	3.64%
December	747,969	798,352	6.74%
January	793,214	858,624	8.25%
February	1,092,352	1,392,378	27.47%
March	757,151	911,871	20.43%
April	760,192	799,041	5.11%
May	1,016,082	1,104,587	8.71%
June	767,736	838,840	9.26%
July	805,208	885,910	10.02%
YTD	\$8,507,707	\$9,433,714	10.88%
August	\$1,000,259		
September	813,341		
	10,321,308		

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 '18 represents May '18 sales. Approximately \$27,405.33 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 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18
October	\$815,126	\$868,660	\$818,682	\$837,118	\$879,590
November	896,761	987,887	980,001	930,685	964,521
December	766,502	836,922	734,411	747,969	798,352
January	744,242	798,120	755,093	793,214	858,624
February	1,061,353	1,137,082	1,139,896	1,092,352	1,392,378
March	743,945	759,360	728,841	757,151	911,871
April	726,196	733,667	779,083	760,192	799,041
May	981,409	1,019,627	971,507	1,016,082	1,104,587
June	773,012	822,955	754,439	767,736	838,840
July	794,307	778,812	757,642	805,208	885,910
FY TOTAL	<u>\$8,302,851</u>	<u>\$8,743,093</u>	<u>\$8,419,594</u>	<u>\$8,507,707</u>	<u>\$9,433,714</u>
August	\$966,814	\$998,076	\$985,002	\$1,000,259	
September	845,806	811,136	756,171	813,341	
YTD	<u>\$10,115,471</u>	<u>\$10,552,304</u>	<u>\$10,160,766</u>	<u>\$10,321,307</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.

3.4

Information for Item #5, 6, 7 and 8
will be available during the board meeting