

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. ("DCOA") will be held on Tuesday, February 19, 2019, at the Development Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Charlie Dromgoole, Interim CEO

AGENDA

February 19, 2019
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from the January 24, 2019 board meeting.
3. Sales tax report for February 2019 and financial reports for December 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. 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
 - C. Acquisition of land in Abilene, Texas for potential use by Project Café
 - D. Agreement with City of Abilene in reference to street expenditures
 - E. BrightFarms project possible amendment
 - F. Agreement for roof replacement design and engineering work for the buildings located at 1121, 1221 and 1249 Fulwiler Rd.
 - G. Agreement relating to CEO Search Firm
 2. 551.072 (Deliberations about Real Property)
 - A. Acquisition of parcels of land in West Abilene
 - B. Acquisition of land in Abilene, Texas for potential use by Project Cafe
 3. 551.074 (Personnel Matters)
 - A. CEO Search Committee report
 4. 551.087 (Business Prospect/Economic Development)
 - A. BrightFarms project possible amendment
 - B. Project Mayday

5. Discussion and possible approval of a resolution authorizing purchase of land located in Abilene, Texas, for potential use by Project Cafe.
6. Discussion and possible approval of a resolution authorizing a settlement agreement with the City of Abilene for the TMLIRP insurance claim resulting from the 2014 hail storm.
7. Discussion and possible approval of a resolution authorizing a contract with the City of Abilene in reference to street expenditures.
8. Discussion and possible approval of a resolution authorizing a contract with a search firm for a new CEO.
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 15th day of February, 2019, at 4:00 p.m.


Deputy 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
January 24, 2019

MEMBERS PRESENT: John Beckham Jack Rich Vic Corley
Seaton Higginbotham

MEMBER ABSENT: Sam Vinson

STAFF PRESENT: Kim Tarrant Akane Thaxton

GUESTS PRESENT: Justin Jaworski Abilene Industrial Foundation
Mark Zachary McMahon Surovik Suttle, PC
Chris Shelton McMahon Surovik Suttle, PC
Mike Rains City of Abilene Finance
Charlie Dromgoole Guest

1. CALL THE MEETING TO ORDER: President John Beckham called the meeting to order at 1:32 p.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.

2. APPROVAL OF MINUTES FROM THE JANUARY 3, 2019 BOARD MEETING: Seaton Higginbotham moved to approve the minutes with changes for the January 3, 2019, board meeting. Jack Rich seconded, and the motion carried.

3. SALES TAX REPORT FOR JANUARY 2019: Mike Rains, Director of Finance for the City of Abilene, presented the sales tax report for January 2019. The sales tax rebate for January is \$3,584,698.79 which represents November sales. Economic Development received \$896,174.70, which is 4.37% above last year and 2.33% above the projected FY19 budget amount. Of this rebate, \$129,514.55 is from prior periods, audit payments, future payments and unidentified payments. For the period of October through January, sales tax is 8.82% above last year and 2.33% above the approved FY 19 budget amount.

4. EXECUTIVE SESSION - SESSION 1: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071 and 074 to consult with our legal counsel and discuss personnel matters as set forth on the agenda. Any vote or action will be taken in open session.

President John Beckham announced the date is January 24, 2019 and the time is 1:40 p.m. Later, President Beckham announced the date is still January 24, 2019 and the time is 2:01 p.m. No vote or action was taken in Executive Session.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING PURCHASE OF LAND LOCATED IN ABILENE, TEXAS, FOR POTENTIAL USE BY PROJECT CAFE: This item was not considered.

6. DISCUSSION AND POSSIBLE APPOINTMENT OF CEO SEARCH COMMITTEE AND/OR RETENTION OF CEO SEARCH FIRM: President Beckham presented resolution DCOA-2019.12 appointing a CEO Search Committee to identify CEO candidates and make recommendations to the board. The resolution also authorizes retaining a CEO Search

Firm. After much discussion by the board, Jack Rich suggested adding a third paragraph to the resolution stating the Search Committee will appoint an Advisory Committee to provide input during the search process. President Beckham also requested Mayor Anthony Williams be added to the Search Committee as ex officio enabling him to attend meetings but not be a voting member.

Jack Rich made the motion to approve resolution DCOA-2019.12 as revised appointing a Search Committee for a new CEO. Vic Corley seconded and the motion passed.

7. DISCUSSION AND POSSIBLE APPROVAL OF A CONTRACT WITH AN INTERIM CEO: President Beckham presented resolution DCOA 2019.11 to the board, authorizing an Interim CEO Agreement with Charlie Dromgoole. Mark Zachary stated the resolution and a contract were circulated at the beginning of the meeting that gives President Beckham the authority to enter into the contract with an effective date of Monday, January 21, 2019.

Jack Rich made the motion to approve resolution DCOA 2019.11 authorizing President John Beckham to enter into an Agreement with Charlie Dromgoole as Interim CEO. Vic Corley seconded and the motion passed.

4. EXECUTIVE SESSION – SESSION 2: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071 and 074 to consult with our legal counsel and discuss personnel matters as set forth on the agenda. Any vote or action will be taken in open session.

President John Beckham announced the date is January 24, 2019 and the time is 2:15 p.m. Later, President Beckham announced the date is still January 24, 2019 and the time is 3:44 p.m. No vote or action was taken in Executive Session.

8. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA Board will be on Tuesday, February 19, 2019, at 1:30 p.m.

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

John Beckham, President

MEMORANDUM

February 06, 2019

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

The sales tax rebate for February is \$4,658,097.15 which represents December sales. This is 16.36% below last year and 7.80% above the projected FY 19 budget amount. The breakdown of the rebate is \$3,493,572.86 to the General Fund and \$1,164,524.29 for economic development. Of this rebate, \$34,698.89 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through February, sales tax is 1.65% above last year and 6.94% above the approved FY 19 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	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2017-18	Actual 2017-18		Actual 2018-19	Actual 2018-19	
October	\$2,638,770.11	\$879,590.03	\$3,518,360.14	\$2,806,719.25	\$935,573.08	\$3,742,292.33
November	2,893,562.65	964,520.88	3,858,083.53	3,173,247.00	1,057,749.00	4,230,996.00
December	2,395,055.97	798,351.99	3,193,407.96	2,760,838.68	920,279.56	3,681,118.24
January	2,575,873.17	858,624.39	3,434,497.56	2,688,524.09	896,174.70	3,584,698.79
February	4,177,134.62	1,392,378.21	5,569,512.83	3,493,572.86	1,164,524.29	4,658,097.15
YTD	\$14,680,396.52	\$4,893,465.50	\$19,573,862.02	\$14,922,901.88	\$4,974,300.63	\$19,897,202.51
March	\$2,735,613.92	\$911,871.30	\$3,647,485.22			
April	2,397,121.59	799,040.53	3,196,162.12			
May	3,313,759.56	1,104,586.52	4,418,346.08			
June	2,516,518.53	838,839.51	3,355,358.04			
July	2,657,731.10	885,910.37	3,543,641.47			
August	3,342,578.36	1,114,192.79	4,456,771.15			
September	2,693,312.20	897,770.73	3,591,082.93			
	<u>\$34,337,031.78</u>	<u>\$11,445,677.25</u>	<u>\$45,782,709.03</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 2017-18	Actual 2018-19	% Change
October	\$879,590	\$935,573	6.36%
November	964,521	1,057,749	9.67%
December	798,352	920,280	15.27%
January	858,624	896,175	4.37%
February	1,392,378	1,164,524	-16.36%
YTD	<u>\$4,893,465</u>	\$4,974,301	1.65%
March	\$911,871		
April	799,041		
May	1,104,587		
June	838,840		
July	885,910		
August	1,114,193		
September	897,771		
	<u><u>11,445,677</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.

Revenue for Feb '19 represents Dec '18 sales. Approximately \$8,674.72 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 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19
October	\$868,660	\$818,682	\$837,118	\$879,590	\$935,573
November	987,887	980,001	930,685	964,521	1,057,749
December	836,922	734,411	747,969	798,352	920,280
January	798,120	755,093	793,214	858,624	896,175
February	1,137,082	1,139,896	1,092,352	1,392,378	1,164,524
FY TOTAL	<u>\$4,628,672</u>	<u>\$4,428,082</u>	<u>\$4,401,338</u>	<u>\$4,893,465</u>	<u>\$4,974,301</u>
March	\$759,360	\$728,841	\$757,151	\$911,871	
April	733,667	779,083	760,192	799,041	
May	1,019,627	971,507	1,016,082	1,104,587	
June	822,955	754,439	767,736	838,840	
July	778,812	757,642	805,208	885,910	
August	998,076	985,002	1,000,259	1,114,193	
September	811,136	756,171	813,341	897,771	
YTD	<u>\$10,552,304</u>	<u>\$10,160,766</u>	<u>\$10,321,307</u>	<u>\$11,445,677</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
STATEMENT OF NET POSITION
December 31, 2018 and 2017
Preliminary

	December 2018	December 2017
Current Assets:		
Cash and cash investments	\$ 24,060,011	\$ 23,665,193
Accounts receivable	4,466,848	2,606,933
Due from other governments	1,983,177	1,834,074
Total Current Assets	30,510,036	28,106,200
Noncurrent Assets:		
Notes receivable, net	2,786,267	3,178,150
Notes receivable - earning economic incentives	10,228,383	11,396,856
Capital assets	60,410,934	63,885,149
Accumulated depreciation	(14,132,185)	(15,831,323)
Total capital assets, net	46,278,749	48,053,826
Total Noncurrent Assets	59,293,399	62,628,832
Total Assets	\$ 89,803,435	\$ 90,735,032
Liabilities		
Current:		
Accounts payable	\$ 37,454	\$ 9,906
Accrued expenses	1,789,830	2,606,933
Total Current Liabilities	1,827,284	2,616,839
Total Liabilities	1,827,284	2,616,839
Net Position		
Net Investment in capital assets	46,278,749	48,053,826
Restricted for contractual obligations	13,258,838	12,060,112
Unrestricted, designated for purposes of trust	28,438,564	28,004,255
Total Net Position	87,976,151	88,118,193
Total Liabilities and Net Position	\$ 89,803,435	\$ 90,735,032

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the three months ending December 31, 2018 and 2017
Preliminary

	<u>December 2018</u>	<u>Fiscal YTD 2019</u>	<u>Fiscal YTD 2018</u>
Revenues:			
Sales and use taxes	\$ 920,280	\$ 2,913,602	\$ 2,642,463
Investment earning	45,788	126,181	62,113
Building rental / land lease	125,264	290,865	266,624
Sale of Building	-	-	1,491,496
Miscellaneous revenue	<u>7,337</u>	<u>7,337</u>	<u>11,298</u>
Total Revenues	<u>1,098,669</u>	<u>3,337,985</u>	<u>4,473,994</u>
Expenses:			
Economic Development Projects	600,325	1,561,751	867,618
Life Sciences property maintenance	-	-	79,882
DCOA property maintenance	64,833	198,608	79,129
Abilene Industrial Foundation	38,451	92,075	125,672
TTU Small Business Development Center	15,394	30,900	33,881
Chamber Military Affairs	-	-	-
Airport Business Development Manager	-	6,072	11,062
Economic Development Operating Division	<u>123,734</u>	<u>358,821</u>	<u>297,396</u>
Total Expenditures	<u>842,737</u>	<u>2,248,227</u>	<u>1,494,640</u>
Changes In Net Position	255,932	1,089,758	2,979,354
Net Position at Beginning of Period	<u>87,720,219</u>	<u>86,886,393</u>	<u>85,138,839</u>
Net Position at End of Period	<u>\$ 87,976,151</u>	<u>\$ 87,976,151</u>	<u>\$ 88,118,193</u>

Summary of Current Period Economic Development Projects:

EASI De-Fuel Truck	\$ 1,950
Donald Hardin Jr - Services	1,000
5 Pts Bus Park (property tax)	154,823
5 Pts Bus Park Repairs/Cleanup	13,050
Vine St. Roof Project	179,502
Hardin Simmons University (principal reduction)	<u>250,000</u>
Total	<u>\$ 600,325</u>

Development Corporation of Abilene
Economic Program Status
As of December 31, 2018

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 237,240	\$ 237,240	\$ -	\$ -
TTU 842 Pine	5308	1,020,231	1,020,231	-	-
TTUHSC School of Nursing	5331	1,614,989	1,614,989	-	-
Hangar Doghouses A/E	5348.1	423,000	352,301	-	70,699
EASI De-Fuel Truck	5354	134,960	125,000	3,900	6,060
5 Pts RR Expansion	5363.1	30,800	24,320	-	6,480
BWJ Consulting	5382	614,109	529,109	-	85,000
Coca Cola Refreshments	5387	616,356	616,356	-	-
Martin Sprocket & Gear	5388	160,000	160,000	-	-
Industrial Maintenance Training AISD	5389	162,154	112,154	1,980	48,020
Lone Star Canvas	5390	18,000	-	-	18,000
Abimar Foods 2015	5391	900,000	600,000	300,000	-
TTUHSC School of Public Health	5393	836,328	836,328	-	-
Praire Dog Pet Products	5394	-	-	-	-
Broadwind Towers	5400	-	-	-	-
TSTC New Abilene Campus	5401	4,179,600	579,600	-	3,600,000
Donald Hardin, Jr. Service Contract	5405	28,500	25,500	3,000	-
Access Business Park A/E	5406	64,150	64,051	-	99
Access Business Park Ph 1 Development	5406.1	1,258,101	644,506	145	613,450
BE In Abl Grant	5407	250,000	-	-	250,000
Dyess-TMPC Grant Match	5408	198,880	-	-	198,880
5 Pts Purchase Zoltek Property	5410	5,065,000	4,897,522	154,823	12,655
5 Pts. Business Park Repairs/Cleanup	5410.1	1,000,000	-	13,050	986,950
BrightFarms/TEX Greenhouse	5412	1,700,000	-	-	1,700,000
Streetlights - 5 Points	5413	80,560	-	-	80,560
Dyess JLUS	5414	15,617	15,617	-	-
Vine St. Roof Project	5415	1,789,830	1,350	534,853	1,253,627
City Street Maintenance	5416	1,500,000	-	-	1,500,000
ACU NEXT Lab	5417	300,000	-	300,000	-
Abilene Educ Foundation	5418	51,437	-	-	51,437
Hardin Simmons Universtiy	5419	250,000	-	250,000	-
842/834 Pine St	5420	5,000	-	-	5,000
Interim CEO	5421	35,000	-	-	35,000
		-	-	-	-
		-	-	-	-
Subtotal Economic Program Obligation Reserve		\$ 24,539,842	\$ 12,456,174	\$ 1,561,751	\$ 10,521,917
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	1,039,919	-	358,821	681,098
DCOA Property Maintenance	Division 2775	857,210	-	198,608	658,602
Abilene Industrial Foundation	Division 2775	692,275	-	92,075	600,200
TTU Small Business Dev Center	Division 2775	245,000	-	30,900	214,100
Chamber Military Affairs	Division 2775	397,000	-	-	397,000
Airport Business Development Manager	Division 2775	191,993	-	6,072	185,921
ACU Griggs Center	Division 2776	35,000	-	-	35,000
Subtotal Administrative Divisions Obligation Reserve		\$ 3,458,397	\$ -	\$ 686,476	\$ 2,736,921
Total reserve for obligated programs					\$ 13,258,838
DCOA Board approved projects waiting for signed contracts:					
EASI Roof Cost Share		\$ 541,240	Expiration Date	03/31/2019	
Project Column 2		1,035,000	05/27/2019		
JLUS Implementation		55,000	06/10/2019		
Workforce Solutions High Demand Job Training		31,658	06/10/2019		
		\$ 1,662,898			

3.7

**Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2018 - December 2018**

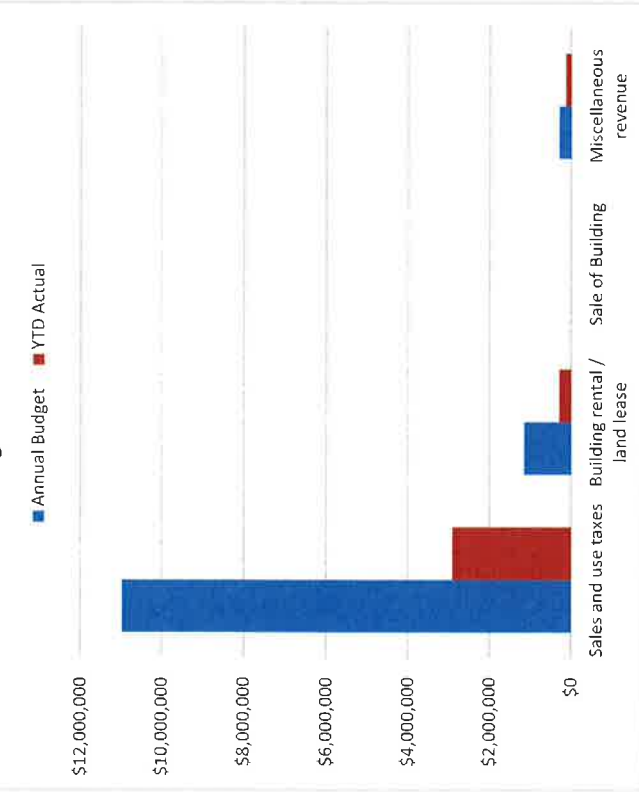
Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,981,812	2,913,602	27%
Building rental / land lease	1,162,257	290,865	25%
Sale of Building	300,000	133,518	45%
Miscellaneous revenue	12,444,069	3,337,985	27%

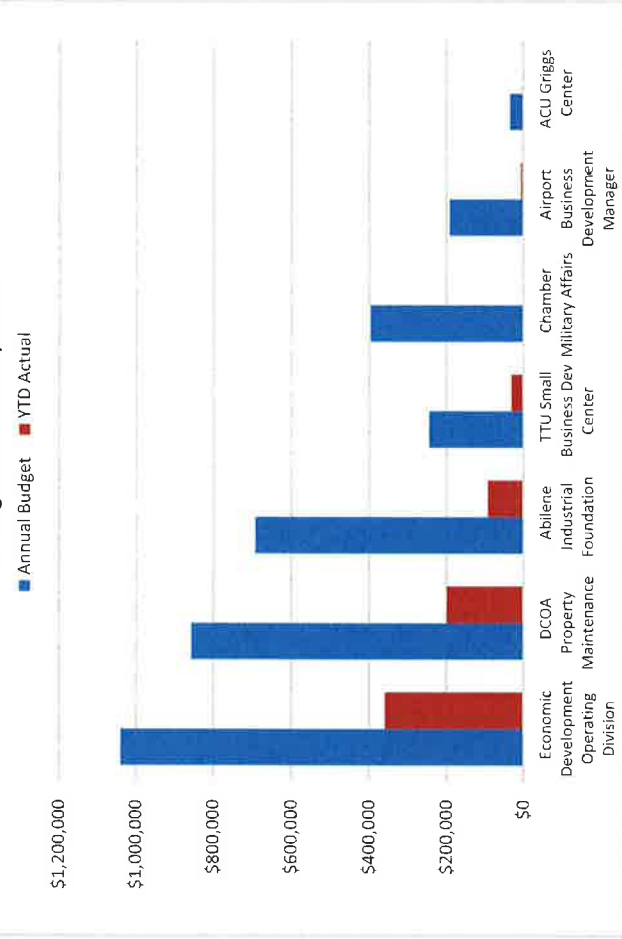
Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	1,039,919	358,821	35%
DCOA Property Maintenance	857,210	198,608	23%
Abilene Industrial Foundation	692,275	92,075	13%
TTU Small Business Dev Center	245,000	30,900	13%
Chamber Military Affairs	397,000	-	0%
Airport Business Development Manager	191,993	6,072	3%
ACU Griggs Center	35,000	-	0%
	3,458,397	686,476	20%

FY 19 Budget vs Actual Revenue



FY 19 Budget vs Actual Expenses



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