

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Thursday, August 15, 2019, at Develop Abilene conference room, 174 Cypress St., 3<sup>rd</sup> floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:

  
Charlie Dromgoole, Interim CEO

### AGENDA

August 15, 2019  
1:30 p.m.

Develop Abilene Conference Room  
174 Cypress St., 3<sup>rd</sup> floor

1. Call the meeting to order.
2. Approval of minutes from the July 17, 2019 board meeting.
3. Sales tax report for August 2019 and financial report for June 2019.
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. Agreement for roof replacement, roof repairs, roof design and roof monitoring services on Vine St. buildings located at 4009, 4109 and 4125 Vine St.
    - B. Agreements for roof replacement, roof repairs and roof design services for hangars and other structures at the Abilene Regional Airport.
    - C. Agreement for roof replacement design and engineering work for the buildings located at 1121, 1221 and 1249 Fulwiler Rd.
    - D. Lease negotiations for land and buildings/hangars at the Abilene Regional Airport.
    - E. Agreements with Prairie Dog Pet Products (PDPP)
    - F. Agreement with City of Abilene for use of the DCOA's street expenditure funds for 2020
    - G. Revision to Interim CEO Agreement with Charlie Dromgoole
  2. 551.072 (Deliberations about Real Property)
    - A. Sale/lease of property in Five Points Business Park
    - C. Acquisition of property and/or land in West Abilene (different property than that previously described as land in West Abilene)
    - D. Acquisition of property in Central Abilene
    - E. Acquisition of parcels of land in East Abilene
  3. 551.074 (Personnel Matters)

4. 551.087 (Business Prospect/Economic Development)
  - A. Project Lasso
  - B. Project Peanut
  - C. Project Lava Rock
  - D. Project Recovery
  - E. Project Access
5. Discussion and possible approval of a resolution authorizing the purchase of land in West Abilene (different property than that previously described as land in West Abilene).
6. Discussion and possible approval of a resolution authorizing an amendment to the Interim CEO Agreement with Charlie Dromgoole.
7. Discussion and possible approval of a DCOA revised budget for FY 2019 and new budget for FY 2020.
8. Discussion of the next board meeting date.
9. 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 9th day of August, 2019, at 3:55 p.m.

  
\_\_\_\_\_  
Erin Day, Assistant 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.



borrower (New Borrower). The DCOA made a loan to the Original Borrower in the principal amount of \$4,500,000 on December 15, 2015, and New Borrower is seeking to purchase the assets of Original Borrower and Original Borrower's ownership interest and assuming the indebtedness owing to the DCOA.

Jack Rich made the motion to approve Resolution DCOA 2019.17 authorizing the DCOA to enter into and execute a Loan Assignment, Assumption and Modification Agreement as described above. Seaton Higginbotham seconded, and the motion passed.

**7. EXECUTIVE SESSION II:** 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 July 17, 2019 and the time is 1:47 p.m. Later, President Beckham announced the date is still July 17, 2019 and the time is 2:19 p.m. No vote or action was taken in Executive Session.

**8. DISCUSSION AND POSSIBLE ACTION CONCERNING MATTERS RELATING TO DCOA CEO INCLUDING APPOINTMENT, EMPLOYMENT, COMPENSATION AND DUTIES:** Charlie Dromgoole, Interim CEO of the Development Corporation of Abilene presented Resolution DCOA-2019.25 confirming the execution of an Employment Agreement between the DCOA and Misty Mayo as the newly hired CEO of the Development Corporation of Abilene.

Seaton Higginbotham moved to approve Resolution DCOA-2019.25 confirming the Employment Agreement between the DCOA and Misty Mayo as the newly appointed CEO with a start date of August 19, 2019. Jack Rich seconded, and the motion passed.

**9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR PROJECT TIDAL WAVE:** Charlie Dromgoole presented a request from BBP Bird, L.P. and Tige Boats to allow a reduction in the principal balance owing under the existing \$4,000,000 Promissory Note from 2005 for construction of their new manufacturing plant. The reduction would be in the amount of \$100,000 and will reduce the final balloon payment due at maturity on July 1, 2031. In turn, BBP Bird, L.P. and Tige Boats, Incorporated will invest approximately \$1,000,000 beginning January 1, 2019, on the construction of a mold storage building, concrete work, additional boat molds, furniture, fixtures and equipment to expand into another boat line.

Seaton Higginbotham moved to approve Resolution DCOA-2019.26 authorizing amended assistance for BBP Bird, L.P. and Tige Boats to provide for a principal reduction of \$100,000.00 toward the outstanding balance due under the existing Promissory Note dated December 30, 2005. Jack Rich seconded, and the motion passed.

**10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR BROADWIND TOWERS, INC.:** Charlie Dromgoole

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presented a request for amended assistance to Broadwind Towers, Inc. under the Agreement for Financial Assistance from 2016 and a corresponding Promissory Note by decreasing the amount of assistance to \$570,628.21 and changing the terms of assistance as follows: 1) Remove the Phase IV funding of \$110,000; and 2) Change the principal reduction earning toward the Note balance of \$570,628.21 for Year 1 only through October 31, 2018 to allow for a proration of the amount earned based on the minimum requirement of 144.5 FTEs retained; and 3) Change the job retention requirement for Years 2 and 3 to 127.5 FTEs and for Years 4 and 5 to 144.5 FTEs; and 4) Change the note maturity date to October 31, 2022 to coincide with the final job certification date.

Jack Rich moved to approve Resolution DCOA-2019.21 authorizing amended assistance to Broadwind Towers, Inc. under the Agreement for Financial Assistance from 2016 and corresponding Promissory Note as described above. Seaton Higginbotham seconded, and the motion passed.

**11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT FOR DESIGN, CONSTRUCTION DOCUMENTS AND CONSTRUCTION ADMINISTRATION FOR RE-ROOFING THE INDUSTRIAL BUILDINGS ON FULWILER RD. IN FIVE POINTS BUSINESS PARK:** Charlie Dromgoole presented a request to contract with Jacob Martin, LLC (JM) plus up to \$134,658.00 for design, construction plans, bidding and other costs associated with re-roofing the properties located at 1121 Fulwiler Rd. (Building C/D), 1221 Fulwiler Rd. (Building A) and 1249 Fulwiler Rd. (Building B). The DCOA purchased the former Zoltek properties in August 2018, and during the due diligence assessment of the structures it was determined that the roofs on Buildings A and B were deteriorated to a critical degree and that Building C/D's roof was newer but also in poor shape. JM recently performed a roof assessment for each building and now proposes to design the new roofs.

Seaton Higginbotham moved to approve Resolution DCOA-2019.24 authorizing a contract with Jacob Martin, LLC (JM) for design, construction documents and bidding for the re-roofing of the properties located at 1121/1221/1249 Fulwiler Rd. and funding up to \$134,658.00. Jack Rich seconded, and the motion passed.

**12. DISCUSSION AND POSSIBLE APPROVAL OF A DCOA REVISED, BUDGET FOR FY 2019 AND NEW BUDGET FOR FY 2020:** No discussion or action was taken in reference to this item.

**13. DISCUSSION OF THE NEXT BOARD MEETING DATE:** President Beckham announced the next scheduled meeting of the DCOA Board will be on Thursday, August 15, 2019, at 1:30 p.m.


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

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John Beckham, President

MEMORANDUM

August 07, 2019

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

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The sales tax rebate for August is \$4,411,261.09 which represents June sales. This is 1.02% below last year and 8.09% above the projected FY 19 budget amount. The breakdown of the rebate is \$3,308,445.82 to the General Fund and \$1,102,815.27 for economic development. Of this rebate, \$87,376.73 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through August, sales tax is 1.77% above last year and 5.73% 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
March	2,735,613.92	911,871.30	3,647,485.22	2,596,054.89	865,351.63	3,461,406.52
April	2,397,121.59	799,040.53	3,196,162.12	2,510,122.72	836,707.57	3,346,830.29
May	3,313,759.56	1,104,586.52	4,418,346.08	3,284,774.58	1,094,924.86	4,379,699.44
June	2,516,518.53	838,839.51	3,355,358.04	2,777,277.03	925,759.01	3,703,036.04
July	2,657,731.10	885,910.37	3,543,641.47	2,803,483.73	934,494.58	3,737,978.31
August	3,342,578.36	1,114,192.79	4,456,771.15	3,308,445.82	1,102,815.27	4,411,261.09
<b>YTD</b>	<u>\$31,643,719.58</u>	<u>\$10,547,906.52</u>	<u>\$42,191,626.10</u>	<u>\$32,203,060.65</u>	<u>\$10,734,353.55</u>	<u>\$42,937,414.20</u>
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*

<b>Accounting Period Month</b>	<b>Actual 2017-18</b>	<b>Actual 2018-19</b>	<b>% Change</b>
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%
March	911,871	865,352	-5.10%
April	799,041	836,708	4.71%
May	1,104,587	1,094,925	-0.87%
June	838,840	925,759	10.36%
July	885,910	934,495	5.48%
August	1,114,193	1,102,815	-1.02%
<b>YTD</b>	<b>\$10,547,906</b>	<b>\$10,734,354</b>	<b>1.77%</b>
September	\$897,771		
	<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.

Revenue for August '19 represents June '19 sales. Approximately \$21,844.18 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*

<b>Accounting Period Month</b>	<b>Actual 2014-15</b>	<b>Actual 2015-16</b>	<b>Actual 2016-17</b>	<b>Actual 2017-18</b>	<b>Actual 2018-19</b>
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
March	759,360	728,841	757,151	911,871	865,352
April	733,667	779,083	760,192	799,041	836,708
May	1,019,627	971,507	1,016,082	1,104,587	1,094,925
June	822,955	754,439	767,736	838,840	925,759
July	778,812	757,642	805,208	885,910	934,495
August	998,076	985,002	1,000,259	1,114,193	1,102,815
<b>FY TOTAL</b>	<u>\$9,741,169</u>	<u>\$9,404,595</u>	<u>\$9,507,967</u>	<u>\$10,547,906</u>	<u>\$10,734,354</u>
September	\$811,136	\$756,171	\$813,341	\$897,771	
<b>YTD</b>	<u><u>\$10,552,305</u></u>	<u><u>\$10,160,766</u></u>	<u><u>\$10,321,308</u></u>	<u><u>\$11,445,677</u></u>	

Note: Report reflects the month sales tax is received from Austin.  
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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**  
**June 30, 2019 and 2018**

	June 2019	June 2018
<b>Current Assets:</b>		
Cash and cash investments	\$ 26,593,587	\$ 26,534,583
Accounts receivable	4,466,848	2,606,933
Due from other governments	1,983,177	1,834,074
Total Current Assets	33,043,612	30,975,590
<b>Noncurrent Assets:</b>		
Notes receivable, net	2,706,266	2,986,267
Notes receivable - earning economic incentives	10,228,383	11,246,190
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	59,213,398	62,286,283
<b>Total Assets</b>	\$ 92,257,010	\$ 93,261,873
<b>Liabilities</b>		
Current:		
Accounts payable	\$ 35,146	\$ 9,903
Accrued expenses	1,789,830	2,606,933
Total Current Liabilities	1,824,976	2,616,836
Total Liabilities	1,824,976	2,616,836
<b>Net Position</b>		
Net Investment in capital assets	46,278,749	48,053,826
Restricted for contractual obligations	17,695,719	8,097,727
Unrestricted, designated for purposes of trust	26,457,566	34,493,484
Total Net Position	90,432,034	90,645,037
<b>Total Liabilities and Net Position</b>	\$ 92,257,010	\$ 93,261,873

**DEVELOPMENT CORPORATION OF ABILENE**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the nine months ending June 30, 2019 and 2018**

	June 2019	Fiscal YTD 2019	Fiscal YTD 2018
<b>Revenues:</b>			
Sales and use taxes	\$ 925,759	\$ 8,697,043	\$ 8,547,787
Investment earning	50,244	510,476	393,868
Building rental / land lease	124,090	848,549	800,503
Sale of Building	-	-	1,491,496
Miscellaneous revenue	-	9,420	76,940
Total Revenues	<u>1,100,093</u>	<u>10,065,488</u>	<u>11,310,594</u>
<b>Expenses:</b>			
Economic Development Projects	339,466	4,499,401	3,825,690
Life Sciences property maintenance	-	-	153,646
DCOA property maintenance	19,986	496,473	248,967
Abilene Industrial Foundation	58,918	455,081	461,488
TTU Small Business Development Center	14,325	133,350	143,531
Chamber Military Affairs	-	158,497	142,929
Airport Business Development Manager	10,881	102,015	95,215
Economic Development Operating Division	32,045	675,030	732,930
Total Expenditures	<u>475,621</u>	<u>6,519,847</u>	<u>5,804,396</u>
<b>Changes In Net Position</b>	624,472	3,545,641	5,506,198
<b>Net Position at Beginning of Period</b>	<u>89,807,562</u>	<u>86,886,393</u>	<u>85,138,839</u>
<b>Net Position at End of Period</b>	<u>\$ 90,432,034</u>	<u>\$ 90,432,034</u>	<u>\$ 90,645,037</u>

<b>Summary of Current Period Economic Development Projects:</b>	
BWJ Consulting	\$ 85,000
Prairie Dog Pet Products	1,395
5 Pts Bus Park Repairs/Cleanup	(2,833)
Vine St. Roof Project	50,854
Abilene Education Foundation	4,690
842/834 Pine St. Sale	4,857
Interim CEO	13,299
N 1st Land Purchase	3,300
CEO Serch Firm 2019	1,802
Airport Roofing Project	177,102
Total	<u>\$ 339,466</u>

**Development Corporation of Abilene  
Economic Program Status  
As of June 30, 2019**

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	158,360	125,000	15,600	17,760
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	18,672	31,328
Lone Star Canvas	5390	10,067	-	10,067	-
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	7,500	-	1,395	6,105
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	496,252	117,343
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	125,769	41,709
5 Pts. Business Park Repairs/Cleanup	5410.1	1,000,000	-	919,476	80,524
BrightFarms/TEX Greenhouse	5412	-	-	-	-
Streetlights - 5 Points	5413	80,560	-	66,978	13,582
Dyess JLUS	5414	15,617	15,617	-	-
Vine St. Roof Project	5415	1,789,830	1,350	1,435,414	353,066
City Street Maintenance	5416	8,500,000	-	-	8,500,000
ACU NEXT Lab	5417	300,000	-	300,000	-
Abilene Educ Foundation	5418	51,437	-	34,568	16,869
Hardin Simmons University	5419	250,000	-	250,000	-
842/834 Pine St	5420	5,000	-	4,857	143
Interim CEO	5421	90,000	-	72,014	17,986
N 1st Land Purchase	5422	92,090	-	92,005	85
CEO Search Firm 2019	5423	40,000	-	25,592	14,408
Workforce Solutions High Demand Job Training	5424	31,658	-	-	31,658
Airport Roofing Project	5425	1,976,786	-	242,742	1,734,044
FDLIC	5426	1,035,000	-	-	1,035,000
Chamber 2020 Census	5427	100,000	-	-	100,000
Airport-Aerospace Cluster Study	5428	55,000	-	-	55,000
<b>Subtotal Economic Program Obligation Reserve</b>		<b>\$ 33,248,343</b>	<b>\$ 12,456,174</b>	<b>\$ 4,499,401</b>	<b>\$ 16,292,768</b>
<b>Plus Administrative Division Obligations:</b>					
Economic Development Operating Division	Division 2760	1,039,919	-	675,030	364,889
DCOA Property Maintenance	Division 2775	857,210	-	496,473	360,737
Abilene Industrial Foundation	Division 2775	692,275	-	455,081	237,194
TTU Small Business Dev Center	Division 2775	245,000	-	133,350	111,650
Chamber Military Affairs	Division 2775	397,000	-	158,497	238,503
Airport Business Development Manager	Division 2775	191,993	-	102,015	89,978
ACU Griggs Center	Division 2775	35,000	-	-	35,000
<b>Subtotal Administrative Divisions Obligation Reserve</b>		<b>\$ 3,458,397</b>	<b>\$ -</b>	<b>\$ 2,020,446</b>	<b>\$ 1,402,951</b>
<b>Total reserve for obligated programs</b>					<b>\$ 17,695,719</b>
<b>DCOA Board approved projects waiting for signed contracts:</b>					
JLUS Implementation		\$ 55,000	Expiration Date 12/10/2019		
Staff Retention Bonuses		12,500	09/19/2019		
Ford F350 PU w/Utility Bed		45,878	11/23/2019		
		<u>\$ 113,378</u>			

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**Development Corporation of Abilene  
Revenue and Expense  
Budget vs Actual Comparison  
October 2018 - June 2019**

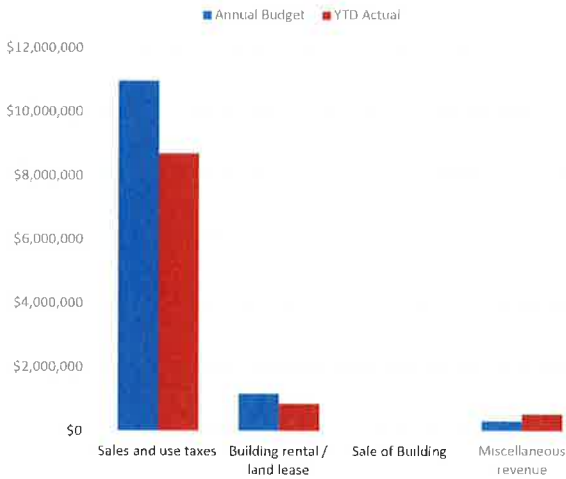
**Revenue**

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,981,812	8,697,043	79%
Building rental / land lease	1,162,257	848,549	73%
Sale of Building	-	-	-
Miscellaneous revenue	300,000	519,896	173%
<b>Revenue</b>	<b>12,444,069</b>	<b>10,065,488</b>	<b>81%</b>

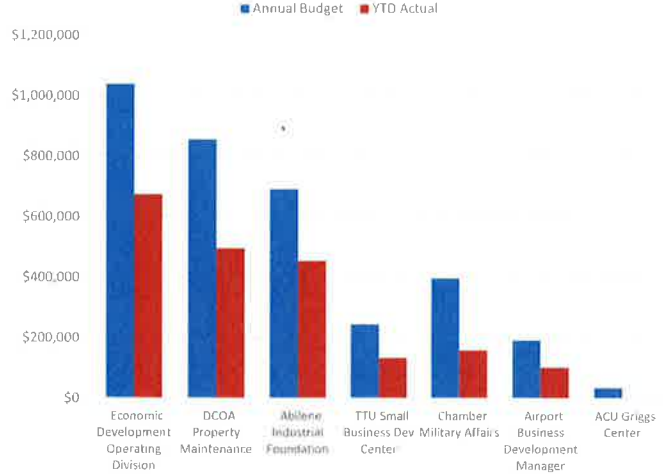
**Expenses**

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	1,039,919	675,030	65%
DCOA Property Maintenance	857,210	496,473	58%
Abilene Industrial Foundation	692,275	455,081	66%
TTU Small Business Dev Center	245,000	133,350	54%
Chamber Military Affairs	397,000	158,497	40%
Airport Business Development Manager	191,993	102,015	53%
ACU Griggs Center	35,000	-	0%
	<b>3,458,397</b>	<b>2,020,446</b>	<b>58%</b>

**FY 19 Budget vs Actual Revenue**



**FY 19 Budget vs Actual Expenses**



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Information for Item #5 will be available  
during the board meeting



**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: AUGUST 15, 2019**

**PROJECT: Extension of Interim CEO Agreement**

**STAFF: President John Beckham**

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**GENERAL INFORMATION:**

Kent Sharp resigned his position as CEO of the DCOA effective December 21, 2018. The DCOA Board of Directors authorized President John Beckham and Board Member Sam Vinson to identify a person to serve as interim CEO for the DCOA and to enter into and execute a final contract with said person on behalf of the DCOA in conjunction with him or her serving as interim CEO of the DCOA.

On January 24, 2019, the DCOA approved Resolution DCOA-2019.11 authorizing President Beckham to enter into an Interim CEO Agreement with Charlie Dromgoole. Mr. Dromgoole is to fill the role of Interim CEO of the DCOA until a permanent replacement is appointed by the DCOA Board of Directors. As Interim CEO, Mr. Dromgoole is required to work an average of at least three (3) weekdays per week and be compensated \$2,500/week for his services plus mileage reimbursements for his travel to and from his home in College Station and lodging expenses.

On February 19, 2019, the DCOA approved Resolution DCOA-2019.14 authorizing an Executive Search Agreement with The PACE Group to help the DCOA identify and hire a new CEO. After extensive efforts, The PACE Group identified Misty Mayo as a candidate (along with others) for the position, and after interviews were conducted, Ms. Mayo was found to be the best fit for the position.

On July 2, 2019, the DCOA approved Resolution DCOA-2019.23 authorizing President John Beckham and Vice President Jack Rich to execute an Employment Agreement with Ms. Mayo as CEO of the DCOA. On July 17, 2019, the DCOA approved Resolution 2019.25 confirming the Employment Agreement with Ms. Mayo, which includes an employment start date of August 19, 2019.

**THE REQUEST**

DCOA President John Beckham would like to extend the Interim CEO Agreement with Mr. Dromgoole for one (1) month from August 19, 2019 through September 19, 2019 ("Extension Period"), and revise Mr. Dromgoole's role from Interim CEO to Advisor to the CEO ("Advisor") of the DCOA. The President notes there are a number of ongoing projects and other matters that will require transitioning from the Interim CEO to Ms. Mayo as CEO and retaining Mr. Dromgoole for an additional one month to assist with this transition is in the DCOA's best interest. As full compensation for his Services, the DCOA will continue to pay Advisor \$2,500.00 per week ("the Fee") as long as Advisor is available by telephone to be engaged with DCOA business during normal work hours and possibly on weekends. He will also be required to make at least one (1) trip to Abilene during the Extension Period. The DCOA will also continue to reimburse Advisor for mileage expenses.

The estimated cost to extend Mr. Dromgoole's contract for one additional month to September 19<sup>th</sup> is:

- a. Base fee - \$10,000
  - b. Mileage - \$650
  - c. Lodging - \$0
- TOTAL - \$10,650**

**FISCAL IMPACT**

Services anticipated from 8-19-19 through 9-19-19                      \$ 10,650

**STAFF RECOMMENDATION**

DCOA President recommends the board approve Resolution DCOA-2019.28 authorizing an extension of the agreement with Interim CEO as an Advisor to the DCOA and continue to compensate his Services as set out in the Agreement.

**ATTACHMENTS**

Resolution DCOA-2019.28

**RESOLUTION NO. DCOA-2019.28**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ABILENE, TEXAS AUTHORIZING AN AMENDMENT TO THE INTERIM CHIEF EXECUTIVE OFFICER (“CEO”) AGREEMENT WITH CHARLIE DROMGOOLE.

WHEREAS, effective December 21, 2018, Kent Sharp resigned his position as CEO of the DCOA; and,

WHEREAS, on January 24, 2019, the DCOA approved Resolution DCOA-2019.11 authorizing President Beckham to enter into an Interim CEO Agreement with Charlie Dromgoole to fill the role of Interim CEO of the DCOA until a permanent replacement is appointed by the DCOA Board of Directors; and,

WHEREAS, as Interim CEO, Mr. Dromgoole is required to work an average of at least three (3) weekdays per week and be compensated \$2,500/week for his services plus mileage reimbursements for his travel to and from his home in College Station and lodging expenses; and,

WHEREAS, on February 19, 2019, the DCOA approved Resolution DCOA-2019.14 authorizing an Executive Search Agreement with The PACE Group to help the DCOA identify and hire a new CEO, and after extensive efforts The PACE Group identified Misty Mayo as a candidate (along with others) for the position; and,

WHEREAS, after interviews were conducted, Ms. Mayo was found to be the best fit for the position; and,

WHEREAS, on July 2, 2019, the DCOA approved Resolution DCOA-2019.23 authorizing President John Beckham and Vice President Jack Rich to execute an Employment Agreement with Ms. Mayo as CEO of the DCOA; and,

WHEREAS, on July 17, 2019, the DCOA approved Resolution 2019.25 confirming the Employment Agreement with Ms. Mayo, which includes an employment start date of August 19, 2019; and,

WHEREAS, the DCOA Board of Directors finds that there are a number of ongoing projects and other matters that will require transitioning from the Interim CEO to Ms. Mayo as CEO and retaining Mr. Dromgoole for an additional one month to assist with this transition is in the DCOA’s best interest; and,

WHEREAS, the DCOA Board of Directors desires to extend the Interim CEO Agreement with Mr. Dromgoole for one (1) month from August 19, 2019 through September 19, 2019, and revise Mr. Dromgoole’s role from Interim CEO to Advisor to the CEO of the DCOA.

**NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:**

**PART 1.** Authorized is an amendment to the Interim CEO Agreement with Charlie Dromgoole to accomplish the following:

- A. Extend the Agreement by one (1) month to expressly terminate on September 19, 2019,
- B. Revise Mr. Dromgoole's role from Interim CEO to Advisor to the CEO,
- C. Require that Mr. Dromgoole continue to be available by telephone to be engaged with DCOA business during normal work hours and possibly on weekends,
- D. Require that Mr. Dromgoole make at least one (1) trip to Abilene during the extension period, and

As full compensation for his Services, the DCOA will continue to pay Mr. Dromgoole \$2,500.00 per week and reimburse him for his mileage.

DCOA further authorizes any other provisions to the herein described agreement which are consistent with and necessary to effectuate the amended assistance, as outlined above, as determined by the DCOA's President or Chief Executive Officer.

**PART 2.** The commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

**PART 3.** The Chief Executive Officer and/or Chief Operating Officer are authorized to execute any documents on behalf of the DCOA relating to the transaction authorized in this resolution.

ADOPTED this the 15th day of August 2019.

ATTEST:

\_\_\_\_\_  
Vic Corley  
Secretary/Treasurer

\_\_\_\_\_  
John Beckham  
President

APPROVED AS TO FORM:

\_\_\_\_\_  
Mark Zachary, Attorney at Law

Information for Item #7 will be available  
during the board meeting