

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**August 16, 2005**

<b>MEMBERS PRESENT:</b>	<b>Joe Crawford</b> <b>Stan Lambert</b>	<b>Dee Moore</b> <b>Ray Ferguson</b>
<b>MEMBER ABSENT:</b>	<b>Syd Niblo</b>	
<b>STAFF PRESENT:</b>	<b>Richard Burdine</b> <b>Kim Tarrant</b> <b>John Dugan</b>	<b>Dan Santee</b> <b>David Wright</b> <b>Susan Campbell</b>
<b>GUESTS PRESENT:</b>	<b>Sarah Kleiner</b> <b>Bill Ehrie</b> <b>Kelly Kinard</b> <b>Mike McMahan</b> <b>Judy Wilhelm</b> <b>Jim Casey</b> <b>Rich Leidl</b> <b>Josh Meachum</b> <b>Becky Roberts</b> <b>Jerry Love</b> <b>Sam Chase</b>	<b>Abilene Reporter-News</b> <b>Abilene Industrial Foundation</b> <b>Abilene Industrial Foundation</b> <b>Abilene Chamber of Commerce</b> <b>Small Business Development Center</b> <b>Team Concepts</b> <b>Thelen Reid &amp; Priest</b> <b>Thelen Reid &amp; Priest</b> <b>Davis Kinard &amp; Co., P.C.</b> <b>Davis Kinard &amp; Co., P.C.</b> <b>City Councilman</b>

- 1. CALL TO ORDER.** Ray Ferguson 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 JULY 5, 2005 BOARD MEETING.** Dee Moore made a motion to approve the minutes from the July 5, 2005 meeting. Joe Crawford seconded. The motion carried by unanimous consent.
- 3. PRELIMINARY FINANCIAL AND STATUS REPORTS FOR JUNE 2005.** David Wright presented the preliminary June 2005 reports. The sales tax rebate for July is \$552,611 which represents May sales and is 9.95% above last year. Assets as of June 30, 2005 totaled slightly over \$25.2 million, total liabilities are a little over \$2.7 million, and the DCOA has an undesignated fund balance of just over \$11 million.
- 4. PRESENTATION OF FY04 AUDIT BY DAVIS KINARD & CO., P.C.** Becky Roberts explained that accounting standards changed in 2003 and the DCOA is now on a full accrual accounting basis. Total assets for FY 2004 increased approximately \$3.8 million from FY 2003, equity increased about \$3.5 million, and there was a Designated for Purposes of Trust equity balance of slightly over \$6.1 million. Revenues from property taxes were just over \$6.7 million, up about 3% in FY 2004 from FY 2003. Total expenditures were a little above \$3.6 million, with an excess of revenues over expenditures of approximately \$3.5 million.
- 5. PRESENTATION AND UPDATE BY CONSULTANTS THELEN, REID & PRIEST AND TEAM CONCEPTS.** Rich Leidl of Thelen, Reid & Priest introduced Josh Meachum, also with Thelen, Reid & Priest and Jim Casey of Team Concepts. Rich pointed out that Thelen, Reid & Priest has been working with the Abilene community since 1994 in connection

with Dyess Air Force Base, preparing for the 1995 BRAC. Jim Casey pointed out that Abilene has been very proactive in enhancing the capabilities of the Abilene and Dyess community while supporting the military and their mission over the last ten years. Mr. Casey further explained that the 1995 BRAC was used as the baseline for the 2005 BRAC process.

Mr. Casey presented an extensively detailed and informative report on issues concerning Dyess Air Force Base where past community actions have led to positive recommendations. He made it clear that Thelen, Reid & Priest and Team Concepts do not represent any other base community. They both represent Abilene exclusively.

Mr. Casey could not stress enough how evident it is to the entire Air Force and to the BRAC Commission as to Abilene's superb efforts to not only do what is best for Abilene and Dyess, but for the entire Air Force as well. He further cautioned us not to let our guard down, but to stay proactive in supporting Dyess and to continue with what we have been doing.

Mr. Leidl presented quite a thorough and informative report on the BRAC process and its recommendations. He also emphasized very heavily how excellent Abilene's attitude and efforts have been on behalf of Dyess Air Force Base and for us to remain consistent in our endeavors.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF REPORT FROM THE PROJECT EVALUATION COMMITTEE ON CONTRACT PERFORMANCE FOR FIVE DCOA CONTRACTS.** Dani Ramsay presented this report from the Project Evaluation Committee, which includes recommendations for contract renewals for: a) Texas Tech Small Business Development Center; b) Abilene Chamber of Commerce-Military Affairs Committee; c) Abilene Industrial Foundation, Inc.; d) City of Abilene: Airport Business Development Management; and e) City of Abilene: Business Services and Property Maintenance divisions of the Department of Economic Development.

A motion was made by Dee Moore to accept this report and seconded by Stan Lambert. The motion carried unanimously.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A REPORT FROM THE BUDGET & FINANCE COMMITTEE CONCERNING FUNDING PROPOSALS FOR FISCAL YEAR 2006 FOR FIVE AREAS.** Stan Lambert presented this report from the Budget & Finance Committee, which includes recommendations for FY06 funding for: a) Texas Tech Small Business Development Center; b) Abilene Chamber of Commerce-Military Affairs Committee; c) Abilene Industrial Foundation, Inc.; d) City of Abilene: Airport Business Development Management; and e) City of Abilene: Business Services and Property Maintenance divisions of the Department of Economic Development.

A motion was made by Stan Lambert to accept this report. Joe Crawford seconded and the motion passed by unanimous consent.

**8. PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FISCAL YEAR 2006.** Ray Ferguson declared the public hearing open for anyone wishing to speak to please come forward and identify themselves with their name and address. No one came forward so Mr. Ferguson closed the public hearing.

**9. DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FISCAL YEAR 2006.** Richard Burdine presented the proposed budget for FY 2006, noting that 75% of the budget remained free for prospective projects.

Joe Crawford made a motion to approve the FY 2006 budget as presented. Dee Moore seconded and the motion carried by unanimous consent.

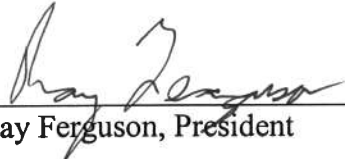
**10. DISCUSSION AND POSSIBLE APPROVAL OF THE FIRST AMENDMENT TO RESOLUTION NO. DCOA-2005.18 AUTHORIZING ASSISTANCE FOR SEARS METHODIST RETIREMENT SYSTEM, INC.** Richard Burdine explained that the previous resolution (approved in April 2005) provided DCOA assistance as an earnable loan in the amount of \$500,000. However, the loan represents a liability problem for the company, as there are disclosure issues pertaining to such a liability. Staff recommends amending the \$500,000 assistance to Sears Methodist Retirement System, Inc. be converted from an earnable loan to a forgivable grant. No other changes are being proposed.

A motion was made by Stan Lambert to approve Amended Resolution DCOA-2005.18. Joe Crawford seconded and the motion carried by unanimous consent.

**11. EXECUTIVE SESSION: 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's negotiations with a third party discussion in executive session, any action or vote will be taken in public.**

At 2:36 p.m. the Board went into Executive Session. At 3:12 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

**12. ADJOURNMENT.** There being no further business, the meeting was adjourned.

  
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Ray Ferguson, President