

note guaranteed 50% by the DCOA. Lone Star requested the DCOA keep its original obligation to Lone Star Canvas & Sign Works, which is the manufacturing operation, under the new restructured indebtedness with First Financial Bank.

Seaton Higginbotham moved to approve resolution DCOA-2018.23 authorizing amended financial assistance for Lone Star Canvas & Sign Works. Jack Rich seconded and the motion passed.

6. DISCUSSION AND POSSIBLE APPROVAL OF A DCOA REVISED BUDGET FOR FY 2018 AND NEW BUDGET FOR FY 2019: Mark Zachary reminded the board that they are governed by Section 22.230 of the Texas Business Organizations Code (TBOC) which provides for contracts or transactions involving interested directors, officers and members, and that if any board member works in a managerial capacity or has a financial interest in an entity that is involved in a matter that comes before the board, the board member is not prohibited from participating in discussion or voting on the item (with an exception noted in the TBOC concerning voting to make a loan to a director). However, before discussing and voting on the item, it is recommended that the board member disclose the interest in the other organization(s) to the board. Seaton Higginbotham disclosed he is on the Abilene Industrial Foundation (AIF) board and is the incoming board chair for the Abilene Chamber of Commerce. Greg Blair disclosed he is on the Military Affairs Committee (MAC) and the AIF board.

Kent Sharp gave a summary of the FY 2019 budget. Proposed revenues are \$12,664,069, proposed expenses are \$10,993,697, leaving a budget surplus of \$1,670,372. When added to the FY 2018 ending fund balance (Cash and Investment Balance) of \$19,597,180, the proposed ending fund balance of FY 2019 is \$21,267,552. Mr. Sharp went on to provide specific details of the total revenues and total expenditures, with the largest expenditures being active projects.

In the current FY 2018 budget, there is a large positive variance from approved expenditures and the proposed revised amount. The estimated variance of \$7,842,928 is mostly due to Active Project expenses that were not originally anticipated during FY 2018. The board approved expenditures of \$7,528,006 and the estimated actual expenditures are \$15,370,934 through September 30, 2018.

Jack Rich, DCOA board member, inquired about the Investment Pool revenue and if there are other options for investing the DCOA's funds. Mr. Sharp will investigate this matter further to determine alternative options. The board asked several more questions, and Mr. Sharp provided clarification of certain line items.

Jack Rich moved to approve the revised budget for FY 2018 and new budget for FY 2019. Vic Corley seconded and the motion passed.

7. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA board would be Wednesday, August 22, 2018, at 1:30 p.m.

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



John Beckham, President