

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**March 19, 2019**

**MEMBERS PRESENT:** John Beckham      Jack Rich      Vic Corley  
Sam Vinson      Seaton Higginbotham

**STAFF PRESENT:** Charlie Dromgoole   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

**1. CALL THE MEETING TO ORDER:** President John Beckham called the meeting to order at 1:33 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

**2. APPROVAL OF MINUTES FROM THE FEBRUARY 19, 2019 BOARD MEETING:** Jack Rich moved to approve the minutes from the February 19, 2019, board meeting. Seaton Higginbotham seconded, and the motion carried.

**3. SALES TAX REPORT FOR MARCH 2019 AND FINANCIAL REPORTS FOR JANUARY 2019:** Mike Rains, Director of Finance for the City of Abilene, presented the sales tax report for March 2019. The sales tax rebate for March is \$3,461,406.52 which represents January sales. Economic Development received \$865,351.63, which is 5.10% below last year and 0.38% above the projected FY19 budget amount. Of this rebate, \$183,772.03 is from prior periods, audit payments, future payments and unidentified payments. For the period of October through March, sales tax is 0.59% above last year and 5.92% above the approved FY 19 budget amount. The DCOA's total current assets as of January 31, 2019 were \$31,050,292. The January revenues totaled \$1,111,874 and total expenditures were \$588,115 with \$307,018 being spent on six 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.

John Beckham announced the date is March 19, 2019, and the time is 1:40 p.m. Later, President Beckham announced the date is still March 19, 2019, and the time is 3:50 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 CAFÉ:** Charlie Dromgoole, Interim CEO of the DCOA, presented a contract for the purchase of 2.552 acres of vacant land located at 5426 N. 1<sup>st</sup> St., Abilene, Texas for the amount of \$90,000.00 and approval of resolution DCOA-2019.10, which was handed-out during the meeting. It was discussed by the Board that this property would be useful for further manufacturing development and potential use by Project Café.

Jack Rich made the motion to approve resolution DCOA-2019.10 authorizing the purchase of 2.552 acres of vacant land located at 5426 N. 1<sup>st</sup> St. for Ninety Thousand and no/100's Dollars (\$90,000.00) plus all applicable closing costs as set forth in the purchase contract. Seaton Higginbotham seconded and the motion passed.

**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:** No discussion or action was taken in reference to this item.

**7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH THE CITY OF ABILENE IN REFERENCE TO STREET EXPENDITURES:** Charlie Dromgoole requested approval of an agreement with the City of Abilene for street expenditures and funding up to \$8,500,000.00 over the next five years. He reported that the Street Maintenance Advisory and Appeals Board of Directors met in December of 2018 and requested the DCOA contribute up to \$1,500,000.00 in 2019 for the reconstruction of Ridgemont Dr. The remainder of the allocations over the next four years would be: 1) 2020 - \$2,000,000.00; 2) 2021 - \$2,000,000.00; 3) 2022 - \$2,000,000.00; and, 4) 2023 - \$1,000,000.00. The funding would be conditioned upon the DCOA approving the street projects that include the use of these allocations.

After discussion, Jack Rich moved to approve DCOA-resolution 2019.16 approving an agreement with the City of Abilene for street expenditures and funding up to Eight Million Five Hundred Thousand and no/100's Dollars (\$8,500,000.00) over the next five years, conditioned upon the street projects that include DCOA funding being approved by the DCOA. Sam Vinson seconded, and the motion passed.

**8. DISCUSSION AND POSSIBLE APPROVAL OF ANOTHER SIX-MONTH EXTENSION OF THE FY18 CONTRACT WITH ABILENE INDUSTRIAL FOUNDATION:** Charlie Dromgoole requested approval of a second amendment to the contract between the DCOA and the Abilene Industrial Foundation's (AIF) FY18 annual contract. The second amendment would start March 31, 2019 for an additional 6 months and expire on September 30, 2019. The amount funded would be the same amount of \$1,280,644.00 in accordance with the actual FY18 expenses and FY19 Budget.

Before a vote was taken, 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 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 the 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 declared he is a member of the Abilene Industrial Foundation board and Chairman of the Abilene Chamber of Commerce.

In reviewing the proposed Second Amendment and Exhibit, Jack Rich noted that the numbers on Exhibit A did not tie back to the Second Amendment and the Board discussed

corrections to Exhibit A in order for Exhibit A to tie back to the Second Amendment. Thereafter, Seaton Higginbotham moved to approve the Second Amendment to the FY18 contract with the Abilene Industrial Foundation as amended and with corrections to Exhibit A as noted by Jack Rich. Vic Corley seconded, and the motion passed.

**9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AWARDDING A CONTRACT(S) FOR ROOF REPLACEMENT AND MISCELLANEOUS WORK FOR FIVE AIRCRAFT HANGARS AND A RECORDS/PARTS STORAGE BUILDING LOCATED AT THE ABILENE REGIONAL AIRPORT:** Charlie Dromgoole presented resolution DCOA-2019.15 approving two separate contracts for roof replacement on five hangars and the records/parts storage building at the Abilene Regional Airport, which are all occupied by Eagle Aviation Services, Inc. (EASI). Also requested was funding in the amount of \$2,126,786.00. A bid opening was held February 21, 2019 and Montgomery Construction was the lowest responsible bidder for the five (5) hangars at \$1,143,227 and Roofs, Inc. was the lowest responsible bidder for the Records/Parts Storage building at \$433,209.00. This resolution will rescind resolution DCOA-2018.16 approved in April of 2018, which authorized up to \$541,240.00 to cost share the roofing project with EASI.

In the Board's discussion concerning this Item, a preference was indicated to not approve the Project Manager/Roof Monitoring fee that is identified as a part of the funding request. The Board observed that if there is subsequently determined to be a need for a project manager or monitor (whether by a DCOA employee or an independent contractor) that service can be considered at a later date.

Mark Zachary stated that if there is a preference to not approve the \$150,000 Project Manager/Roof Monitoring fee, Resolution DCOA-2019.15 should be amended so that the Project Manager/Roof Monitoring fee is deleted from the 8<sup>th</sup> "WHEREAS" paragraph of the resolution and that the total funding amount be reduced from \$2,126,786 to \$1,976,786.

Jack Rich moved to approve resolution DCOA-2019.15 as amended authorizing two separate contracts to replace the roofs on the five (5) hangars and the records/parts storage building all occupied by Eagle Aviation Services, Inc., plus funding in the amount of \$1,976,786.00 as referenced in the staff's Memorandum to the Board (with the \$150,000 Project Manager/Roof Monitoring fee being deleted from the funding request). Sam Vinson seconded and the motion passed.

**10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING BONUSES FOR DCOA STAFF THAT ARE REFERENCED IN ITEM 4., PART 3. B., C., D., AND E, ABOVE:** John Beckham noted the importance of the DCOA staff remaining stable during the DCOA's transition to a new CEO and requested that the Board consider authorizing retention bonuses for members of the DCOA's staff. A draft form of DCOA Resolution 2019.17 was distributed to the Board members for consideration. The draft did not include the day upon which the retention bonuses would be considered to be earned, nor the amount of each bonus. The Board discussed the advantages of the retention bonus, as well as the timing of the bonuses and amounts and reached a general consensus on those topics during the discussion. After the discussion, Mark Zachary indicated that the following changes could be made to the Resolution to meet the Board's consensus: 1) In the 4<sup>th</sup> WHEREAS, the blank should read "at least

ninety (90) days after the start date of the new CEO of the DCOA”, making the ninetieth day the “bonus day”; 2) the second blank in the Resolution should read “the bonus day”; and, 3) the blanks under employee, position and bonus amount be completed as follows:

- Kim Tarrant, Chief Operating Officer \$5,000.00
- Akane Thaxton, Economic Development Specialist \$2,500.00
- Rick Jones, Property and Construction Project Manager \$2,500.00
- Cynthia Nesmith, Administrative Coordinator \$2,500.00

Jack Rich made the motion to approve resolution DCOA-2019.17 approving retention bonuses for DCOA staff as referenced by Mark Zachary. Vic Corley seconded and the motion passed.

**11. DISCUSSION OF NEXT MONTHLY BOARD MEETING:** President Beckham announced the next scheduled meeting of the DCOA would be Tuesday, April 16, 2019, at 1:30 p.m.

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



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John Beckham, President