

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
April 28, 2020

MEMBERS PRESENT: Jack Rich Vic Corley Sam Vinson
Floyd Miller Shea Woodard-Hall

STAFF PRESENT: Misty Mayo Cynthia Nesmith
Julie Johncox Akane Thaxton

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
Chris Shelton McMahon Surovik Suttle, PC
Amy Whitmer Abilene Industrial Foundation

1. **CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 1:34 pm by videoconference.
2. **INVOCATION:** Sam Vinson offered the invocation.
3. **PUBLIC COMMENT ON AGENDA ITEMS:** President Jack Rich announced an opportunity for the public to comment on any of the agenda items. He further stated that there would be no votes or formal action taken during public comment, that this would allow members of the public to present ideas and information to the DCOA Board and staff pertaining to the items on the agenda, and that if there was anyone wanting to make a public comment, to please state their name and address. No one from the public spoke.
4. **APPROVAL OF MINUTES FROM THE FEBRUARY 28, 2020, MARCH 27, 2020 AND APRIL 1, 2020 BOARD MEETINGS:** No action was taken on this item.
5. **PRELIMINARY FINANCIAL REPORT FOR MARCH 2020:** Akane Thaxton, Economic Development Specialist with the DCOA, presented the Financial Report for March 2020, including that the DCOA's total current assets as of March 31, 2020 were \$38,628,208, that the March revenues totaled \$1,040,555 and that total expenditures were \$282,614, with \$69,983 spent on three different projects.
6. **PRESENTATION OF THE FY 19 FINANCIAL AUDIT CONDUCTED BY BKD CPA'S & ADVISORS, LLP:** Kevin Kemp with BKD CPA's & Advisors, LLP presented the DCOA's FY 19 audit report, which was conducted as part of the City of Abilene's annual audit. Mr. Kemp stated the purpose of an audit is to give an opinion on each unit, financial reports, accounts payable, cash receipts, cash disbursements and payroll. He further stated that during the audit, they also look at internal key controls to make sure the controls are operating as designed and found no weaknesses or deficiencies in the financial reporting. Mr. Kemp congratulated the DCOA on a very strong balance sheet, and stated that it is the largest balance sheet of any development corporation from the cities his company has audited.
7. **EXECUTIVE SESSION:** President Rich stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with 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 Rich announced the date is April 28, 2020 and the time is 1:45 pm. Later, President Rich announced the date is still April 28, 2020 and the time is 2:40 pm and that no vote or action was taken in Executive Session.

8. DISCUSSION AND POSSIBLE APPROVAL OF AN AMENDED DCOA BUDGET FOR FY 19-20: Misty Mayo presented an amendment to the FY 19-20 budget for the Board's consideration. Ms. Mayo explained to the Board that part of the revised budget includes several new projects for consideration such as the Fulwiler Rd. upgrade and Marigold Street extension. Another project included is the Hangar 2 expansion which was previously approved but due to the addition of the fire suppression system and ventilation there have been extra costs added that are accounted for in the revised budget. The DCOA staff is also anticipating the opportunity for a few additional projects that were not originally anticipated that the DCOA had the capacity to undertake until FY 21. As an example, Ms. Mayo noted that the parts and records storage building at the airport needs maintenance which includes repairing the concrete tilt walls and then repainting.

Ms. Mayo pointed out economic development incentives for Chike, Bavarian and Hartmann's have all been approved by City Council (March 12th and April 9th). The Marigold Street extension and Fulwiler Rd. upgrade are new project requests. She also mentioned the potential projects and incentives amount includes the \$3 million that the Board set aside for the Economic Relief fund, in addition to \$1 million to ensure the DCOA budgets for upcoming projects that the DCOA might undertake during the remainder of FY 19-20, with the caveat that any project over \$250,000 must not only be approved by the Board, but also be presented to City Council for final approval.

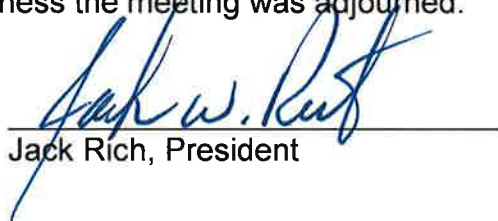
Under the summary of revenues, DCOA staff amended the proposed sales tax revenue line item and Ms. Mayo noted that previously the budget included revenue of \$11.9 million and the revised budget is based on what Ms. Mayo is learning from specialists and consultants in the retail industry. Ms. Mayo also noted that Abilene probably won't be hit as hard as previously anticipated, so the reduction of almost \$2 million appears to be reasonable. Ms. Mayo stated that from what she has been told by economists in the retail industry and by retail people there is a belief that because of Governor Abbott's commitment to get businesses reopened in Texas, the sales tax dip in March and April will rebound to some extent because consumer spending is expected to escalate in late May, June and July. This number also factored in input from the City of Abilene finance department, which has a software program that projects sales tax based on previous revenues and reports from the comptroller's office. Ms. Mayo also discussed the increase in the technology expenses, explaining the \$86,000 increase will purchase three separate software programs that relate to management of the DCOA's projects for business development. The addition will cover all initial contracts for the software programs and Ms. Mayo noted that the bulk of the cost is for the "Sales Force" software. It is a costly option but one that staff believes will drive sales cycle and relationships for business development and better manage the DCOA's existing BRE companies. The "GIS Web Tech" software will help as an online tool for the website with data, research and a graphics tool and the last program is "Real Massive" which is a commercial real estate search engine.

President Rich asked about the increase in salaries, Ms. Mayo reported the salaries line item includes a projection for 4 new employees, and that at this time, the DCOA is asking for the increase in the budget, and that Ms. Mayo intends to come back to the Board in June and officially present the positions, which are expected to be for marketing and brand management, two people for business development and one for data analyst. Ms. Mayo noted that some of these positions have to do with the realignment of the AIF and DCOA. President Rich requested that when this item is presented to the Board, that it be presented as a one-time package.

Sam Vinson made a motion to approve the amended budget as presented. Floyd Miller seconded and the motion passed.

9. DISCUSSION OF THE NEXT BOARD MEETING DATE: President Rich announced the next scheduled meeting of the DCOA Board will be on Thursday, May 21, 2020, at 9:30 am.

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



Jack Rich, President