

MINUTES
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
TUESDAY, AUGUST 11, 2015 at 6:00 p.m.
Kaufman City Hall
209 S. Washington
Kaufman, TX 75142

PRESIDENT	ROY FERRELL
VICE-PRESIDENT	BARRY RATCLIFFE
SECRETARY/TREASURER	CARL STAPP
MEMBER	LISA PARKER
MEMBER	CURTIS SNOW

CALL TO ORDER: President Roy Ferrell called the meeting to order on Tuesday, August 11, 2015 at 6:02 p.m. Board members present were Carl Stapp, Roy Ferrell, Barry Ratcliffe and Curtis Snow. President Ferrell declared a quorum present. Board member Parker arrived at 6:20 p.m. Also present were Executive Director Lee Ayres and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE JULY 14, 2015 MEETING MINUTES.

Board member Ratcliffe moved to approve the July 14, 2015 meeting minutes. Board member Stapp made the second. All voted AYE and the motion carried.

2. REVIEW OF FINANCIAL STATEMENT(S) FOR JUNE 2015.

Executive Director Ayres noted that there was nothing unusual for June revenues and expenses. He pointed out that we are still showing a \$72,000 net loss year to date. He added that there would be another large expense in August because we need to pay the \$100,000 payment for the north phase of the Hwy. 34 Bypass. Board member Snow asked about October and November revenues accruing in current fiscal year. Executive Director Ayres agreed that is why our expenses seem a bit out of line with revenues, because we have only 7 months of revenues to date and 9 months of expenses. Board member Snow moved to accept the June 2015 financial statements. Board member Stapp offered a second. All voted AYE and the motion carried.

3. CONSIDER REVISING INCENTIVE AGREEMENT WITH FALCON STEEL TO ALLOW MULTIPLE PAYMENTS OF THE INCENTIVE OVER TIME AND AS CERTAIN PROJECTS ARE COMPLETED.

Executive Director Ayres explained that the current agreement calls for paying out the incentive after all improvements are made to Falcon Steel property. He said plant manager Larry Minor told him in June that they would probably do half in this fiscal year and half in next fiscal year. He said Mr. Minor contacted him again in mid-July and asked if we could divide the payments in three sections

and make them payable to his contractor. Executive Director Ayres said he did some research and paying his contractor was out of the question. He said he told Mr. Minor he would ask the Board to pay this out in three different increments as work was completed, but the payments had to be paid to Falcon Steel. He also shared with the board that these incentives were actually budgeted in FY 2014 and did not get budgeted in FY 2015. Additionally, the KEDC Board in May of this year agreed to pay the incentive out of reserves.

After some discussion, Board member Snow moved to approve the revised incentive agreement with Falcon Steel to allow multiple payments of the incentive over time and as certain projects are completed. Board member Stapp made the second. All voted Aye and the motion carried.

4. CONSIDER APPROVAL OF **REVISED** FISCAL YEAR 2016 BUDGET.

Executive Director Ayres said that after we approved the FY 2016 budget in July, we got our July sales tax revenue numbers and they were down substantially from same month the year before. He said that this is the second month in this fiscal year to have a drop in sales tax. Because of this, he felt it was prudent to back off the projected actual revenue numbers for 2015 and back off a similar amount for the FY 2016 budgeted revenues. Because expenses need to match revenues, he reduced the incentive line item by \$39,500 and reduced the revenue line item by \$39,500, which led to a revised budget of \$948,709 in revenues and \$948,709 in expenses.

Board member Ratcliffe moved to approve the revised FY 2016 budget. Board member Stapp made the second. All voted AYE and the motion carried.

Board member Lisa Parker arrived at 6:20 p.m.

5. CONSIDER APPROVAL OF USING BARRY PIERCE, CPA, TO PROVIDE ACCOUNTING SERVICES FOR FY 2016 – 2018.

Executive Director Ayres said that just before the meeting, new city manager Mike Slye made an appeal to allow the city to have another chance at performing accounting services for the Kaufman EDC. Executive Director Ayres said Mr. Slye was in the process of hiring a new finance director. Further, Executive Director Ayres said Mr. Slye assured him we would not have issues like we had in 2014. Executive Director Ayres said previously we had a combined financial and secretarial services agreement. Now we have separate agreements and he would like to keep them separate. After some more discussion, Board member Snow moved to reject using Barry Pierce to provide accounting services and for the Kaufman EDC to enter into a similar agreement with the city as it had with Mr. Countryman in FY 2015 at a cost of \$150.00 per month. Board member Parker made the second. All voted AYE and the motion carried.

ANNOUNCEMENTS FROM KEDC EXECUTIVE DIRECTOR.

Executive Director Ayres said that Tables Manufacturing had closed on the 100,000 square foot building on 13.5 acres at 550 Enterprise Way in Kaufman. He said he was a little concerned about communication between the firm's owners in New York, the plant manager here, city staff and himself.

ADJOURNMENT.

There being no other business to discuss, Mr. Ferrell adjourned the meeting at 6:44 p.m.

Roy Ferrell, President

Date

Carl Stapp, Secretary

Date