

**MINUTES**  
**KAUFMAN ECONOMIC DEVELOPMENT CORPORATION**  
**BOARD OF DIRECTOR'S MEETING**  
**TUESDAY, JANUARY 10, 2017 at 6:00 p.m.**  
**KAUFMAN FIRE STATION**  
**301 S. Madison**  
**Kaufman, TX 75142**

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

President Roy Ferrell called the meeting to order on Tuesday, January 10, 2017 at 6:03 p.m. Board members present was Roy Ferrell, Barry Ratcliff, Curtis Snow and Lisa Parker. President Ferrell declared a quorum. Board member Stapp was absent. Also present were Executive Director Lee Ayres and Secretary Jo Ann Talbot.

1. **CONSIDER APPROVAL OF THE NOVEMBER 8, 2016 MEETING MINUTES.**

Board member Snow moved to approve the November 8, 2016 meeting minutes. Board member Ratcliffe made the second. All voted AYE and the motion carried. Board member Stapp was absent.

2. **ACCEPTANCE OF OCTOBER AND NOVEMBER 2016, FINANCIAL STATEMENTS.**

Executive Director Ayres reported the only unusual thing was in the December Financials. There was a \$41,000.00 expense for the final work on the new Genesis Street in the business park. Executive Director Ayres said it was budgeted in FY 2016 but paid out in FY 2017. He added that the issue would be addressed in the meeting under proposed budget amendments.

Board member Ratcliffe moved and seconded by Board member Parker to accept the October 2016 and November 2016 Financial Statements. President Ferrell called for a vote with all voting AYE, the motion carried. Board member Stapp was absent.

3. **CONSIDER AUTHORIZING KEDC EXECUTIVE DIRECTOR AYRES TO ENTER INTO AN AGREEMENT WITH TIP STRATEGICES FOR ECONOMIC DEVELOPMENT STRATEGIC PLANNING PER THEIR AMENDED PROPOSAL IN THE AMOUNT OF A MAXIMUM OF \$70,000.00 INCLUDING TRAVEL EXPENSES.**

Executive Director Ayres reminded the Board that they had put together a task force consisting of Curtis Snow, Carl Stapp and Lee Ayres to research consultants. Executive Director Ayres reported the Task Force wanted to use a

Texas Consultant, because they would be more familiar with State created Economic Development Corporations. Executive Director Ayres reported he poled about six of the top economic development professionals in the state to get their opinion on which the best consultants were. Executive Director Ayres said, with some good help from Board member Snow, they developed a request for proposal for Comprehensive Strategic Planning Economic Development Consulting and sent it to the top 3 consultants, including TIP Strategies who is considered by pretty much everyone as the top consultant in the state. He said we received two proposals. The TIP Strategies proposal seemed to be superior, but also the most expensive. He said the task force met with TIP Strategies principal, Tom Stellman, and asked him to delete the building of the website and social media elements, categorize his proposed expenses, cap the travel and come back with a less dollar amount. Executive Director Ayres TIP Strategies came back with a \$67,500.00 proposal and expenses capped at \$2,500.00. Executive Director reported the task force unanimously recommends TIP Strategies with the changes.

President Ferrell asked Executive Director Ayres to go over some of the elements of the planning project.

After some discussion, Board member Snow moved to approve entering into the agreement with TIP Strategies. Board member Ratcliffe made the second. All voted AYE and the motion carried. Board member Stapp was absent.

4. CONSIDER AMENDING THE FISCAL YEAR 2017 KAUFMAN ECONOMIC DEVELOPMENT CORPORATION BUDGET IN THE FOLLOWING WAYS:

A. CREATE A LOAN REVENUE LINE ITEM AND ADD \$10,000.00 FOR FY 2017, FOR TABLES MANUFACTURING LOAN REPAYMENT.

Executive Director Ayres reported when KEDC developed the FY 2017 Budget in June of last year, the \$150,000.00 zero interest loan that was made to Tables to be paid back over 15 years did not get budgeted. Executive Director said we need to create a new revenue line item and add \$10,000.00 to the budget for FY 2017.

Board member Snow moved to amend the budget, creating a Loan Revenue Line Item and adding \$10,000.00 to the budget for FY 2017. Board member Parker made the second. All voted AYE and the motion carried. Board member was absent.

B. ADD \$40,709.00 TO EXPENSE ITEM PRAIRIE CREEK CONSTRUCTION, TAKING THE ENTIRE AMOUNT FROM FUND BALANCE FOR GENESIS STREET EXPENSES BUDGETED IN FY 2016 BUT PAID OUT IN FY 2017.

Executive Director Ayres explained that the entire cost of the new Genesis Street was budgeted in FY 2016, but the street was not completed until

the end of October (FY 2017) and the final \$41,000 payment was not paid for until December 2016.

Board member Ratcliff moved to amend the budget to add \$40,709.00 to expense item Prairie Creek Construction, taking the entire amount from Fund Balance for Genesis Street. Expenses budgeted in FY 2016 but paid out in FY 2017. Board member Parker made the second. All voted AYE and the motion carried. Board member Stapp was absent.

- C. ADD \$69,353.00 TO EXPENSE ITEM INCENTIVES, TAKING THE ENTIRE AMOUNT FROM FUND BALANCE FOR FALCON STEEL INCENTIVE, BUDGETED IN FY 2016 BUT EXPECTED TO BE PAID IN FY 2017.

Executive Director Ayres explained the incentive agreement was first done in 2014. He reported that Falcon Steel did not complete their work in 2015, so we budgeted again for it last year. They did not complete it last year either. After some discussion, Board member Parker moved to amend the budget and add \$69,353.00 to expense item Incentives, taking the entire amount from fund balance for Falcon Steel Incentive budgeted in FY 2016 but expected to be paid in FY 2017. All voted AYE and the motion carried. Board member Stapp was absent.

- D. ADD \$60,000.00 TO EXPENSE ITEM PROFESSIONAL SERVICES, TAKING THE ENTIRE AMOUNT FROM FUND BALANCE FOR ECONOMIC DEVELOPMENT STRATEGIC PLANNING.

Executive Director Ayres reported that \$10,000.00 was budgeted for consulting in the Professional Services line item for this year knowing the strategic planning would cost more, but not knowing if it was \$35,000, \$75,000 or \$100,000. Executive Director reported we need to add \$60,000 to the budget to pay for the planning that was approved earlier. After some discussion, Board member Ratcliffe moved to amend the budget to add \$60,000.00 to the expense line item Professional Services, taking the entire amount from fund balance, for economic development strategic planning. Board member Parker made the second. All voted AYE and the motion Carried.

5. Executive Director ANNOUNCEMENTS.

1. CHAMBER OF COMMERCE BANQUET TENTATIVE DATE FEBRUARY 28.
2. KAUFMAN COUNTY DAY IN AUSTIN MARCH 26 AND 27.

6. ADJOURMENT.

President Ferrell adjourned the meeting at 6:26 p.m.

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Roy Ferrell, President

\_\_\_\_\_  
Date

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Carl Stapp, Secretary

\_\_\_\_\_  
Date