

MINUTES
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
Tuesday, June 14, 2016 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

President Ferrell called the meeting to order on Tuesday, June 14, 2016 at 6:02 p.m. Board members present were Barry Ratcliffe, Lisa Parker, Curtis Snow, Barry Ratcliffe and Roy Ferrell. President Ferrell declared a quorum present. Also present were Executive Director Lee Ayres, City Manager Mike Slye and Secretary Jo Ann Talbot.

1. **CONSIDER APPROVAL OF THE APRIL 18, 2016 MEETING MINUTES.**

Board member Stapp moved to approve the April 18 meeting minutes. Board member Ratcliffe made the second. All voted AYE and the motion carried.

2. **REVIEW/ACCEPTANCE OF APRIL, 2016 FINANCIAL STATEMENTS.**

Executive Director Lee Ayres pointed out on the Financial Summary Report that KEDC have received about \$380,000.00 in total revenue against \$899,000.00 in expenses for a net loss of about \$520,000.00. Mr. Ayres pointed out that KEDC had about \$1.45 Million in the bank as of April 30. In liabilities, Mr. Ayres pointed out the \$400,000 of that was the incentive payment made to Tables Manufacturing. He next reviewed the Profit and Loss Statement and Balance sheet for April, 2016.

Board member Parker moved to accept the April, 2016 Financial Statements. Board member Snow made the second. All voted AYE and the motion carried.

3. **AUTHORIZE THE \$125,000.00 PAYMENT FOR TOWN SQUARE INFRASTRUCTURE IMPROVEMENTS TO BE TAKEN FROM KEDC RESERVES (KEDC APPROVED 4-18-16).**

President Ferrell asked if the board had not already approved this. Mr. Ayres reported the \$125,000 was approved last month for the town square infrastructure improvements, but KEDC did not stipulate where the money was coming from. Board member Snow asked if this was included in the \$799,000 already budgeted to be spent from reserves this year. Mr. Ayres said it was not.

Board member Snow moved to authorize the \$125,000 payment to be taken from KEDC Reserves. Board member Stapp made the second. All voted AYE and the motion carried.

4. DISCUSSION/ACTION ON ECONOMIC DEVELOPMENT PLANNING.

Executive Director Ayres said he wanted to first get a good understanding of what board members were seeking in a “comprehensive plan for Kaufman economic development.” Board member Snow said he envisioned hiring a consultant that would do a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). Perhaps bring the community together to survey/interview people to get direction on we want to grow in Kaufman over the next 15 to 20 years. Board member Stapp added that he agreed with that and expected the plan to offer broad strategies and specific goals and objectives. Some other comments were offered like “Kaufman needs quality residential development”; Board member Parker commented that, “We need to attract more families with discretionary income”. “We are a VERY different community today than we were just ten years ago and its time we take an assessment of where we are and where we want to be in 25 years”. President Ferrell pointed out the need to partner with land owners inside and outside, but near, our city limits. Another commented that in the short term our growth may be along the new Hwy. 34 (By-pass). Others agreed our residential growth would more likely be west of us. Board member Ratcliffe asked for a map of the new Highway 34 and surrounding properties.

Executive Director Ayres offered that *“City of Kaufman’s mission is to enhance the quality of life of our citizens by providing a safe, clean environment through the efficient delivery of services.”* He added, as far as I can tell the city has no “Vision Statement”. He asked the Board if they wanted to go through the process to develop a VISION Statement. There seemed to be a strong consensus to do this.

Mr. Ayres pointed out to distinguish **between** the two; a **vision statement** expresses an organization's optimal goal and reason for existence, while a **mission statement** provides an overview of the group's plans to realize that **vision** by identifying the service areas, target audience, and values and goals of the organization.

Mr. Ayres asked if they wanted to go through the process of developing a MISSION Statement. Again, a strong consensus to do this from the Board.

Executive Director Ayres next asked, how far and wide do we travel? What areas of the community does the Board want to explore? Below is the list they agreed on.

- Light Industrial Development
- Retail/Restaurant Development
- Office/Service Development
- Small Business Financing

Small Business Incubators
Tourism Development
Vocational Education Development
Workforce attraction
Streets and Thoroughfare Development
Regional Wastewater Treatment Plant Development
Municipal Airport Development
Single Family Residential Development
Multi-Family Residential Development
Recreational Opportunities Development
Parks and Greenspace development/retention
Development of Performing Arts
Public Art

Mr. Ayres asked whom does the board wish to include in the planning process?
And, suggested the following:

Entire KEDC Board and Staff
City Manager and Mayor?
Chamber Chairman and Exec.?
P&Z Chairman?
Parks Board Chairman?
Couple of Citizens at large?
A local developer or two?

There was not a solid consensus on this one except that perhaps should get the consultant to guide us on this issue.

Mr. Ayres asked what kind of time frame the Board envisioned for the planning process. Again, no solid consensus, but get it started perhaps by fall if possible, January, 2017 at the latest.

After some discussion about the need for RFP's, and the limited number of consultants in Texas who do this. Mr. Ayres next suggested that President Ferrell appoint a two member task force from the Board to work with the Executive Director to:

Do some research on economic development planning consultants from Texas?

Develop a recommendation to the Board on whether KEDC submits RFP's or just invite the top two consultants to visit with KEDC and have a conversation about their planning philosophies.

Develop the RFP, if task force decides to go that route.

Recommend a timeline to the Board.

Recommend the people to serve on the planning committee.

After some discussion President Ferrell appointed Board member Carl Stapp and Board member Snow to work with Mr. Ayres as a committee or task force to do some research and come up with some recommendations to the full board about how to proceed to the next steps.

5. DISCUSSION/ACTION ON FISCAL YEAR 2017 BUDGET.

Mr. Ayres reviewed the proposed budget. After some discussion, Board member Snow moved to approve the budget as presented. Board member Ratcliffe made the second. All voted AYE and the motion carried. (See attached Budget)

6. ANNOUNCEMENTS FROM EXECUTIVE DIRECTOR.

Announcements from Executive Director:

Received NO manufacturing/distribution prospects from Office of the Governor for Economic Development last month. But was able to respond and submitted the 40 acres next to law enforcement center the month before.

Sent out RFP's to 4 architects.

We got approval from TXDOT to get a drive cut to connect the new Genesis St. with new Hwy. 34 Bypass.

Gave notice to proceed with construction to 7-H Construction.

Held Ribbon Cutting for Tables new building B on May 20th.

Working on co-sponsoring a job fair for Veterans in Kaufman in the fall.

7. ADJOURNMENT.

There being no further business, President Ferrell adjourned the meeting at 7:18 p.m.

Roy Ferrell, President Date

Carl Stapp, Secretary Date

KAUFMAN EDC FY 2017 APPROVED BUDGET
Approved June 14, 2016

	2015 <u>Actual</u>	2016 <u>Approved Budget</u>	2016 <u>Projected Actual</u>	2017 <u>Proposed Budget</u>
REVENUES				
Sales Tax	\$503,816*	\$615,500	\$685,482	\$702,619
Interest on Checking	2,152	2,700	2,000	250
Interest on CD's	455	375	-0-	-0-
From Reserves	-0-	1,028,482	1,028,482	-0-
Land Sales	-0-	-0-	-0-	-0-
	<u>\$506,423</u>	<u>\$1,647,057</u>	<u>\$1,715,964</u>	<u>\$702,869</u>
EXPENDITURES				
Salaries	\$ 80,631	\$ 81,000	\$ 81,000	81,000
Meetings	1,043	1,000	500	500
Expense Allowance	378	250	250	250
Contract Services & Staffing	15,774	15,768	15,768	15,768
Professional Services	3,015	5,000	5,000	15,000**
Professional/Technical/Auditing	3,600	3,500	3,600	3,600
Retirement	4,032	4,031	4,031	4,031
Matching FICA	7,211	7,000	7,000	7,000
Unemployment Taxes	45	46	41	41
Health Insurance	3,600	3,600	3,600	3,600
Promotional Materials	607	5,300	3,500	2,500
Miscellaneous Supplies	34	100	100	100
Communications	1,237	1,650	1,650	1,300
Postage		150	150	150
Advertising	18,297	31,500	29,500	32,100
Dues and Subscriptions	2,327	2,500	2,500	2,500
Utilities (Park)	426	1,000	1,000	1,000
Non Capital Minor Tools/Software	358	500	500	1,000
Auto Allowance	6,000	6,000	6,000	6,000
Insurance	1,100	1,100	1,100	1,100
Tuition and Education	1,500	3,000	3,000	3,000
Travel	5,722	6,000	6,000	6,000
Chapter 380 Funding	295,679	286,714	286,872	278,000
Highway 34 By-pass Funding	100,000	100,000	100,000	100,000
Maintenance - Grounds	6,995	11,000	11,000	11,000
Land Purchases	-0-	-0-	-0-	-0-
Prairie Creek Construction	-0-	450,000	450,000	50,000

				<i>KEDC</i>
				<i>06-14-2016</i>
Matching Grant Site Improvement	1,400	25,000	12,000	25,000
Incentives/intergovernmental	<u>-0-</u>	<u>594,352</u>	<u>594,352</u>	<u>51,329</u>
	\$561,011	\$1,647,061	\$1,630,014	\$702,869
Net Income (loss)	(\$54,187)	\$ -0-	\$ 85,950	- 0 -

*Includes only 10 months of sales tax revenue **Includes \$10,000 for planning consultant
Notes on Budget Worksheet:

1. Sales Tax: Year to date, sales taxes have increased an average of 11%+ each month this year versus same months the previous year. For FY 2017, we budgeted only a 2.5% increase in sales taxes.
2. 2015 actual revenues show only 10 months of revenue. We changed fiscal years at beginning of 2016. If we had included October and November revenue in FY 2015, there would be an additional \$110,100 in revenue and a net profit of \$55,900 for the year.
3. Official EDC Budgets are required to balance.
4. First column is the actual for 2015. Second column is approved budget for 2016.
5. Third column is *projected actual* for FY 2016 (current) based on 7 months of revenue and 7 months of expenses. Last column is FY 2017 proposed budget.
6. Staff estimates that cash position at end of fiscal year 2016 (this year) should be between \$ 600,000 and \$625,000, depending upon actual sales tax revenues for next 5 months of fiscal year.
7. This budget assumes Falcon Steel's obligation of \$69,352.00, costs to construct Genesis Street and the Town Square Infrastructure grant of \$125,000 gets paid in this fiscal year.
8. OBLIGATIONS/POTENTIAL OBLIGATIONS October 1, 2016 (Beginning of FY 2017):

Highway 34 By-pass	- \$1,400,000.00 balance
380 Agreement Kings Fort Phase I/Walmart	- \$ 811,265.00 balance
Extend Service Road next to County Jail	- \$ 500,000.00 in a few of years
Kings Fort Phase II/Home Depot	UNKNOWN
Speculative Building	- \$3,000,000.00

LINE ITEM COMMENTS:

Salaries, Retirement, Auto, Health insurance all remain the same as FY 2013, 2014, 2015 and 2016

Contract Services and staffing is per our agreement with the Chamber of Commerce.

Professional Services are for CPA and Attorney

Communication is for phone and phone service.

Promotional Materials: Flyers, maps, etc.

Advertising: The proposed Budget is \$32,100 for FY 2017.

DFW Marketing Team Membership	\$2,000
TEDC Conference Sponsor	\$1,000
Texas One Marketing Team	\$1,000
FabTech Show	\$2,500
Plastics West Show	\$2,500
ICSC Dallas	\$3,000
ICSC Las Vegas	\$1,500
Retail Live Sponsor and Event	\$1,500*
US 175 Corridor Alliance	\$ 850
Industry Appreciation Day	\$2,000
DFW Marketing Team Trip	\$1,000
July 4 th Kaufman Sponsor	\$3,000
Site Selector Luncheon Sponsor	\$ 500
Chamber Banquet Sponsor	\$ 300
Chamber Auction	\$ 400
Chamber Golf Tournament	\$1,250
TVCC Golf Tournament	\$ 300
Helping Angels Golf Tournament	\$ 500
Children's Advocacy Tournament	\$ 500
CASA Sponsorship	\$ 500*
Kaufman Lions Golf Tournament	\$ 500*
Hospital Sponsorship	\$2,500
Kaufman Herald Ads	\$ 500
Chamber Map Ad	-0-
New Aerial Map	\$2,500*
Total	\$32,100

*New opportunities for FY 2017

Dues and Subscriptions include Texas Economic Development Council, Lions Club, and Chamber Dues

Tuition and Education include TEDC quarterly meetings, sales tax training

Travel is mostly board member expenses for County Day in Austin and sales tax training and staff expenses for TEDC Conferences and sales tax training.

Chapter 380 Funding will continue for 3 more years. The amount will be slightly reduced each year.

Highway 34 bypass funding will continue at the same \$100,000 level for 14 more years.

Prairie Creek Construction in FY 2016 is all new street. For next year we budget a small amount of money in case we need to add a gas line, extend electrical or do a sewer tap for a lot sale. But this has no money for an architect to design a spec building.

Non Capital is for a new phone, laptop or new software.

Matching Grant item is same as last two years.

Incentives: This line item is used to balance the budget.