

**Athens Economic Development Corporation
Board of Directors Meeting
Minutes for March 18, 2016**

The Board of Directors of the Athens Economic Development Corporation (hereafter referred to as AEDC) held a Regular Board Meeting at 10:00 a.m. on Friday, March 18, 2016, in the Derek Daniels Board Room of the Athens Partnership Center, 201 W. Corsicana, Athens, Texas.

Directors present: Jess Laird, President, Carmen Hunt, Jeaneane Lilly, Cliff Barrett, John Trent, Will Traxson

Directors Absent: Maurice Cox

Staff present: Lisa Denton and Susan Jacobs

Guests: David Hopkins, City of Athens; Marlin Smith, Smith Lambright & Associates, PC; Rich Flowers, Athens Daily Review and Phil Surles

Call to Order

The meeting was called to order at 10:00 a.m. by President, Jess Laird for all agenda items. A quorum was present.

Declaration of conflict of interest

None stated

Citizen Comments

None

Consider discussion and approval of minutes from AEDC Board Meeting dated February 16, 2016

Will Traxson made a motion to approve the minutes from February 16, 2016, as presented. Jeaneane Lilly seconded the motion. Motion passed 6-0

Consider discussion and possible action on the following items associated with AEDC Financials:

- A. February financials

Summary of February Financial Report:

- A. **Revenue-** Total revenue for the month was \$154,299.39; sales tax accounting for \$137,952.72 of that amount. Sales tax collections were up .61% over this time last year. Sales tax collections are up 1.54% for the year (as of 2/2016).

- B. Expenses**-Total expenses for the month were \$36,878.32.
- C. Balance Sheet**-The Balance Sheet shows the corporation has \$1,954,228.83 in liquid assets, as of February 29, 2016.
- D. Commitments/LTD**-AEDC has ED project commitments totaling \$505,444 and Long Term Debt Obligations of \$2,184,208.

Ms. Denton noted that there is currently \$96,476 in committed funds that should be released back into the general operating fund. These funds represent unearned incentives from the following projects:

- Entrepreneur grants 2014-15, with a balance of \$15,000
- Champion Homes, with a balance of \$77,500
- Entrepreneur grants 2013-2014, with a balance of \$3,976

Will Traxson made a motion to approve the February financials and to release the committed funds, in the amount of \$96,476. Carmen Hunt seconded the motion. Motion passed 6-0

- B. FYE 2015 Audit**, as presented by Marlin Smith with Smith, Lambright & Associates, PC

Mr. Smith presented the FYE 2015 Audit to the board, and noted there were no significant findings for the 2015 budget year.

John Trent made a motion to approve the FYE 2015 Audit. Carmen Hunt seconded the motion. Motion passed 6-0

Consider discussion and possible action on the following items associated with Palestine Street LLC sewer line project at Loop 7 & Hwy 19

- A.** Project update was presented by Ms. Denton, as prepared by and received from Corey Frentess with Velvin & Weeks.
- B.** Invoice from Velvin & Weeks, in the amount of \$650 for inspection services completed in February.

Cliff Barrett made a motion to approve payment to Velvin & Weeks, in the amount of \$650. Will Traxson seconded the motion. Motion passed 6-0

Consider discussion and possible approval the following items associated with HVAC Manufacturing, Inc.:

- A.** Pay App 4 from Athens Steel Building, in the amount of \$121,651.00.

Ms. Denton reported that this invoice has been approved by HVAC Manufacturing.

Will Traxson made a motion to approve payment to Athens Steel Building, in the amount of \$121,651. Cliff Barrett seconded the motion. Motion passed 6-0

B. Change Order #1, from Athens Steel Building, in the amount of \$17,700

Ms. Denton reported that, while the change order total reflects \$17,700, the actual increase to the original approved bid of \$585,400 is \$4,951. This is due largely in part to additional air and gas lines and underground plumbing that was not to code. HVAC has approved the change order.

Cliff Barrett made a motion to approve Change Order #1, in the amount of \$17,700. Will Traxson seconded the motion. Motion passed 6-0

Consider discussion and possible action on compliance review of economic development performance agreements with the following companies:

A. Ag Power

Staff has reviewed compliance documentation and recommends an incentive payment of \$7,000 for job creation. This is the final year of the contract. Remaining committed funds, totaling \$22,500, should be released to general operating funds.

Will Traxson made a motion to rule Ag Power in compliance, approve incentive payment of \$7,000 and release remaining committed funds totaling \$22,500. Jeaneane Lilly seconded the motion. Motion passed 6-0

B. Med-Logics

Staff has reviewed compliance documentation and recommends payment of \$35,000 for year two earned operations incentive and forgiveness of land repayment for 2016, in the amount of \$22,560.95.

Motion was made by Will Traxson to rule Med-Logics in compliance, approve incentive payment of \$35,000 and forgive the 2016 land note of \$22,560.95. John Trent seconded the motion. Motion passed 6-0

Termination of lease with Biotech Manufacturing Center for property located at 1704 Enterprise Street.

Ownership of the forklift currently housed at this location is to be transferred to the City of Athens, along with the disbursement of remaining BMC funds, by the end of March. The BMC has requested the termination of the lease, as the corporation is to be dissolved by month end.

Motion was made by Will Traxson to terminate the lease with Biotech Manufacturing Center as of March 31, 2016. Jeaneane Lilly seconded the motion. Motion passed 6-0.

Consider discussion and possible action on the following items associated with possible Texas Capital Fund Grant:

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A. Agreement for Professional Services from Traylor & Associates

Motion was made by Will Traxson to approve an agreement for professional services with Traylor & Associates. John Trent seconded the motion. Motion passed 6-0

B. Work Order No.1 from Traylor & Associates

After discussion by the board, it was noted that clarification needs to be made regarding the payment structure of this work order. No action was taken on this item.

C. Work Order No. 2 from Traylor & Associates

Motion was made by Jeaneane Lilly to approve Work Order No. 2, in the amount of \$10,000, from Traylor and Associates. Carmen Hunt seconded the motion. Motion passed 6-0

Consider entering into Executive Session according to TEXAS GOVERNMENT CODE Chapter 551 to discuss following:

At 11:17 a.m., Jess Laird, President, announced that the Board would retire into Executive Session pursuant to the provisions of the TEXAS GOVERNMENT CODE Chapter 551, in accordance with the authority contained in the following sections:

- A. Section 551.072 - Deliberations regarding Real Property**
Possible lease of real property located at:
1501 Airport Road
1704 Enterprise Street
- B. Section 551.087 – Deliberation Regarding Economic Development Negotiations:**
Deliberations regarding negotiations with the following prospects:
Prospect #1522 Prospect #1532
Prospect #1524

Reconvene into Open Session and take any action resulting from Executive Session.

The board reconvened into Open Session at 12:19 p.m.

Will Traxson made a motion to approve a Pasture Lease Agreement with R. B. Richardson, for property located at 1501 Airport Road. Carmen Hunt seconded the motion. Motion passed 6-0.

With no further action to be taken, the meeting was adjourned at 12:19 p.m.

Jess Laird, President

Carmen Hunt, Secretary