

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES THURSDAY, MAY 24, 2018

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, May 24, 2018 at 6:00 p.m. in the City Council Municipal Complex, City Council Chambers, Building No. 4, Conference Room, 1400 Schertz Parkway, Schertz, Texas. This is an open meeting, subject to the open meeting laws of the State of Texas.

CALL TO ORDER

1. Roll call and recognition of visitors.

President Brown called the meeting to order at 6:00 p.m. and welcomed everyone in attendance.

The following being present and in attendance:

Board of Directors:

Tim Brown – President
Paul Macaluso – Treasurer/ Secretary
Victoria Readnour
Mark Tew
Roy Richard

Staff:

Kyle Kinateder – SEDC Executive Director
Patty Horan – ED Executive Assistant
Jennifer Kolbe – Business Retention Manager
Drew Vincent – ED Analyst
James Walters – Director of Finance
R.J. Fraire – Financial Analyst

Directors absent:

Katie Chain

2. Public comment.

No public comments were made.

PRESENTATIONS

3. SEDC monthly financial statement: April 2018. (J. Walters)

Mr. Walters' report was included in the Board's packet. Mr. Fraire noted the following highlights: Sales tax revenue increased by 55.8% over the amount received from the prior April. 23.7% of the growth is attributed to one-time sales tax receipts that is related to development while the remaining 32.1% is caused by a negative audit adjustment of \$167,000 in 2017. The 12-month rolling average of sales tax receipts also show continued growth of the sales tax base in the city by rising to 5.9% from the 4.3% seen in March 2018. The most notable expense was the incentive payment to Ace Mart Restaurant Supply Co. in the amount of \$225,000. The corporation holds no debt and has \$15,526,378.94 in cash and investments as of April 30, 2018.

4. SEDC Business Retention and Expansion Plan update. (J. Kolbe)

Ms. Kolbe's written report was included in the Board's packet. In sum, the report provided an update on the BRE Plan. Staff has provided an update on the roundtable, business visit, and strategic action that occurred since January. Notable progress has been made with our industry roundtables, job board, and hiring fair. Construction is underway with the Vestal Subdivision TxDOT drainage improvements. The Board had no questions.

ITEMS FOR INDIVIDUAL CONSIDERATION

5. Consider/Discuss/Act on approval of the minutes for the Board of Directors Special Called Meeting held on Tuesday, May 1, 2018. (P. Horan)

A motion to approve the minutes for the Board of Directors Special Called Meeting held on Tuesday, May 1, 2018 was made by Mr. Macaluso. Seconded by Mr. Tew. **Motion passed** unanimously.

6. Consider/Discuss/Act on approval for recommendation to the City Council for the proposed SEDC FY 2018-19 Budget and Reserves. (K. Kinateder)

Mr. Kinateder presented the proposed budget for the 2018-19 fiscal year. Highlights of the proposed budget include: a revenue increase of 2.9%, project expenses of \$4,137,500, and operational expenses of \$949,581. The proposed budget requires \$753,156 from the SEDC reserves to cover expenses associated with approved SEDC project. Mr. Kinateder recommended that the Board form a sub-committee or conduct workshops during its upcoming board meetings to plan for the use of SEDC reserves.

No action was requested/No action taken.

7. REQUESTS AND ANNOUNCEMENTS

Requests by Board Members to place items on a future SEDC Board Meeting agenda.

Mr. Kinateder announced the end of the service terms for Board Members: Kathie Chain, Victoria Readnour and the recent resignation of Gary Howell. He also recognized staff member Drew Vincent for his first-year job anniversary and contributions to the SEDC. The Board thanked them all for their service and wished them well in their future endeavors.

8. Information available in SEDC Board Packets – **NO DISCUSSION TO OCCUR**
 - CCAB meeting notes for May 2018
 - Amazon.com.kydc – 2017 Payment of property tax grant per the Economic Development Agreement

President Brown recessed into closed session at 6:22 p.m.

9. CLOSED SESSION

Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic

development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect.

- Project E-040
- Project E-041
- Project E-042
- Project E-043

Start time: 6:22 p.m.

End time: 7:45 p.m.

RECONVENE TO REGULAR SESSION

President Brown reconvened the meeting back into regular session at 7:45 p.m.

10. Discussion and possible action to authorize the SEDC Executive Director to take the necessary and appropriate actions to proceed with negotiations based on discussions held in Closed Session under Agenda Item No. 9:

- Project E-040
- Project E-041
- Project E-042
- Project E-043

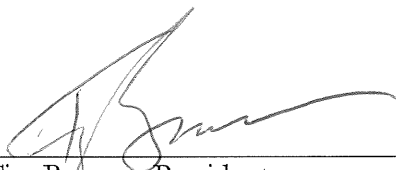
In connection with Project E-041 and at the direction of the SEDC legal counsel, pursuant to the Texas Non-Profit Corporation Act, the Board found that no member had a conflict of interest for this project and/or its developers.

No action was taken.

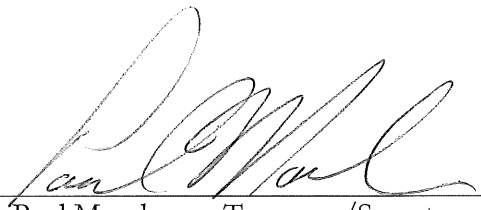
ADJOURNMENT

President Brown adjourned the meeting at 7: 48 p.m.

MINUTES PASSED AND APPROVED THIS 28 DAY OF JUNE 2018.



Tim Brown - President



Paul Macaluso – Treasurer/Secretary

