

# NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

## Minutes September 30, 2008

### MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 5:06 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Nick Phillips.

### QUORUM

Board members present: Debby Griffin, Mike Guidry, Stuart Kieschnick, Billy Neal, Nick Phillips, Bert Rogers and Eric Shaw. Others present: Tracie Killian, Executive Director and Marlinda Eastberg, Secretary, NEDC. Guest present: Nederland City Manager, Christopher Duque.

### MINUTES

**A motion was made by Erik Shaw and seconded by Bert Rogers to approve the minutes of August 13, 2008. Motion carried.**

**Ayes:** Guidry, Griffin, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

### PUBLIC HEARING

The regular meeting was recessed at 5:08 p.m. by President Phillips for the purpose of conducting a public hearing regarding the potential expenditure of funds for a disaster relief program to assist businesses throughout the City of Nederland in the event of a disaster.

Mrs. Tracie Killian stated that in 2005 the Nederland Economic Development Corporation initiated a disaster loan program for businesses in Nederland that sustained damage from Hurricane Rita. This was a loan program of a maximum amount of five thousand dollars and no/100 (\$5000.00) per business for six (6) months with no interest. Mrs. Killian reported that this program was 100% successful. Approximately fourteen (14) applications were received with twelve (12) grants being given out and out of these twelve (12) grants eleven (11) were paid back on time and within the six (6) month period and one (1) was paid back with a small amount of interest.

Mrs. Killian recommends the Nederland Economic Development Corporation institute this program once again. She visited several Nederland Businesses after Hurricane Ike letting them know about the Disaster Relief Program as well

as the SBA Loans being offered at a low interest rate and have had several indicate they would be interested. Mrs. Killian stated in 2005 it was proposed putting a cap of two hundred thousand dollars and no/100 (\$200,000.00) on this special program. This would help approximately forty (40) businesses. Mrs. Killian reported that Jim Wimberley, NEDC Attorney, has reviewed the previous contract used and with some minor changes has approved the contract. The applicant fills out an application which includes giving details on the damage the business received and running a credit report with the lowest score accepted being 560.

A discussion was held concerning a structured payback and Mrs. Killian reported that previously all grants were paid back in one lump sum and if anyone needed to make payments she would come back to the board for approval.

Mrs. Killian recommended this be a standard program already in place in the event of a disaster that affects the whole community.

A brief discussion was held regarding a declared disaster. With no more questions and/or comments President Phillips adjourned the Public Hearing at 5:35 p.m.

### **DISASTER RELIEF LOAN PROGRAM**

Mrs. Killian recommended that the Board approve the Disaster Relief Loan Program to assist businesses throughout the city of Nederland in the event of a declared disaster.

**A motion was made by Bert Rogers and seconded by Debbie Griffin that the Nederland Economic Development Corporation approve the expenditure of funds for a disaster relief program to assist businesses throughout the city of Nederland in the event of a declared disaster.**

**Motion carried.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

### **BUDGET**

Mrs. Killian reported that the NEDC is at the close of the fiscal year of 2007-2008 and recommended the following amendments to the budget.

|    |                        |              |
|----|------------------------|--------------|
| 1) | #6110 Salaries & Wages | +\$1,300.00  |
| 2) | #6121 Group Insurance  | +\$13,000.00 |
| 3) | #6124 Retirement       | +\$1,000.00  |

4) #6126 Social Security +\$400.00

Mrs. Killian stated all of the abovementioned item adjustments are due to Marlinda Eastberg's promotion to Administrative Secretary and the fact that Mrs. Killian and her spouse moved to the EDC medical/dental insurance.

5) #6341 Insurance +\$100.00

Mrs. Killian recommended moving four thousand, one hundred dollars and no/100 (\$4,100.00) from account #6393 Contractual Services to cover the above mentioned accounts.

**A motion was made by Mike Guidry and seconded by Erik Shaw to move monies from account # 6393 Contractual Services, in the amount of four thousand, one hundred dollars and no/100 (\$4,100.00) to the above mentioned accounts. Motion Carried.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

### **FINANCIAL REPORTS**

Mrs. Killian reported the financial reports for July and August are not complete. However the NEDC Board of Directors did receive the "Revenue & Expense Report" so that the appropriate changes could be made for the budget amendments.

### **EXECUTIVE SESSION**

The regular meeting was recessed at 5:20 p.m. by President Nick Phillips for the purpose of conducting an Executive Session as authorized by the Texas Government Code, Chapter 551.087, to discuss the offer of an incentive to a business prospect; Texas Government Code, Chapter 551.071 to discuss litigation and/or legal advise; Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

### **RECONVENE**

The regular meeting was reconvened by President Nick Phillips at 5:35 p.m.

President Nick Phillips announced no action is needed on Texas Government Code, Chapter 551.071 to discuss litigation and/or legal advice; and Texas

Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

President Nick Phillips announced that the following action is needed on Texas Government Code, Chapter 551.087, to discuss and/or deliberate concerning financial and/or commercial information received from potential business prospects regarding potential economic development incentive

Mrs. Killian reported LaSuprema Tortilla Bakery received an incentive of eleven thousand dollars and no/100 (\$11,000.00) on May 12, 2003 with a payback of 3.3 years. LaSuprema Tortilla Bakery has exceeded expectations and fulfilled their obligations to the NEDC through the monitoring process. Mrs. Killian recommended that the monitoring of the above mentioned client be closed.

**A motion was made by Mike Guidry and seconded by Bert Rogers to close the monitoring process for LaSuprema Tortilla Bakery.**

**Motion carried.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

Mrs. Killian also reported that Tri-Con, Inc. received an incentive of one hundred twelve thousand dollars and no/100 (\$112,000.00) on June 30, 2003 with a payback of 4.3 years. Tri-Con, Inc. has exceeded expectations and fulfilled their obligations to the NEDC through the monitoring process. Mrs. Killian recommended that the monitoring of the above mentioned client be closed.

**A motion was made by Mike Guidry and seconded by Bert Rogers to close the monitoring process for Tri-Con, Inc.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

**A motion was made by President Nick Phillips and seconded by Billy Neal to postpone item # 5 on the agenda to consider action on grant previously awarded on September 6, 2005 to Promise Specialty Hospital of Southeast Texas. President Phillips recommended this item be included on the next scheduled NEDC agenda.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

## **COMMUNICATION**

Mrs. Killian presented the Board with a written Executive Director's Report with each item detailing activities of the NEDC office since the last board meeting.

Mrs. Killian announced she cancelled her trip to TEDC in Austin because of Hurricane Ike and has requested a refund of four hundred fifty dollars and no/100 (\$450.00) that was paid for the registration fee.

Mrs. Killian also announced a Nederland Chamber of Commerce Golf Tournament has been rescheduled because of Hurricane Ike. It has been moved to the Babe Zaharias Golf course on October 17, 2008 with a tee time of 1:00 pm.

Mrs. Killian reported that REDI, the Regional Economic Development Initiative group, has hired the Mike Barnes Group from McGregor Texas, as their consultant. As you will recall REDI was formed by local economic development professionals and organizations from Jefferson, Hardin and Orange Counties to provide economic development coordination to ensure long term growth for Southeast Texas. The Mike Barnes Group is a consulting firm specializing in economic development services and will help shape a sustainable economic development effort to market the region, retain and expand industry, and coordinate major projects.

### **ADJOURN**

**There being no further business, a motion was made by Mike Guidry and seconded by Billy Neal that the meeting be adjourned at 5:50 p.m. Motion carried.**

**Ayes:** Griffin, Guidry, Kieschnick, Neal, Phillips, Rogers and Shaw.

**Noes:** None.

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Nick Phillips, President

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Billy Neal, Secretary/Treasurer