

# NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

## Minutes February 25, 2009

### MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 5:00 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Nick Phillips.

### QUORUM

Board members present: Mike Guidry, Stuart Kieschnick, Billy Neal, Nick Phillips and Bert Rogers. Absent: Debby Griffin and Eric Shaw Others present: Jim Wimberley, NEDC Attorney; Tracie Killian, Executive Director and Marlinda Eastberg, Secretary, NEDC.

### PUBLIC HEARING

The regular meeting was recessed at 5:01 p.m. by President Phillips for the purpose of conducting a public hearing regarding the potential expenditure of funds for the development of road improvements for Beauxart Garden Road.

Mrs. Killian presented the board with a memorandum from Chris Duque, Nederland City Manager, outlining the estimated cost for the Beauxart Garden Road improvement project to be approximately one million eight hundred eighty one thousand three hundred thirty five dollars and forty seven/100 (\$1,881,335.47). The estimated costs of the project are as follows:

<i>Brystar Construction (Road)</i>	\$1,242,278.90
<i>Drainage Connection</i>	\$ 250,000.00
<i>Utility Re-location</i>	\$ 50,000.00
<i>Soil/Material Testing</i>	<u>\$ 50,000.00</u>
<b>Construction Costs</b>	<b>\$1,592,278.90</b>
<i>Contract 1</i>	\$ 61,805.52
<i>Contract 2</i>	\$ 59,751.05
<i>Contract 3</i>	<u>\$ 45,200.00</u>
<b>Engineering Costs</b>	<b>\$ 166,756.57</b>
<b>Project Management</b>	<b>\$ 122,300.00</b>
<b>Total Cost</b>	<b>\$1,881,335.47</b>

Mrs. Killian stated one million dollars (\$1,000,000.00) has been allocated in the 2008-2009 budget for this project. A discussion was held concerning the estimated cost of the utility re-location.

Mrs. Killian pointed out to the board of directors that the drainage portion that had been removed from the Beauxart Garden Road improvement project has been put back into the road project. Mrs. Killian stated the reason for this is because in the December meeting the board approved expenditure of "not to exceed \$150,000.00 and the proposal came back at two hundred fifty eight thousand five hundred and five dollars and no/100 (\$258,505.00). Since it was such a large price increase Mrs. Killian has asked the City of Nederland to take this part of the project back so it can be bid out.

Mrs. Killian reported she is working with Cheryl Dowden, City Treasurer in regards to the accounting procedures on the Beauxart Garden Road improvements project. The City of Nederland will make the initial payments for all Beauxart Garden Road improvements and the Nederland Economic Development Corporation will reimburse the City of Nederland their ½ of project costs related to the Beauxart Garden Road project within thirty (30) days of receiving the proper documentation. With no more questions and/or comments President Phillips adjourned the Public Hearing at 5:11 p.m.

### **ROAD IMPROVEMENTS**

**Motion made by Billy Neal and seconded by Mike Guidry for the Nederland Economic Development Corporation to share with the City of Nederland all project costs associated with the Beauxart Garden Road improvement project, including road construction, utility relocation, engineering costs and inspection costs in an aggregate maximum amount of not more than one million eight hundred eighty one thousand three hundred thirty five dollars and forty seven/100 (\$1,881,335.47), with the cost of said project to be shared by the City of Nederland at 50% of the maximum aggregate cost and the costs to be shared by the Nederland Economic Development Corporation to be at an equal 50% of the disclosed aggregate maximum of \$1,881,335.47.**

#### **Motion Carried**

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

**Noes:** None. **Absent:** Debby Griffin and Erik Shaw.

### **BUDGET**

Mrs. Killian made the following recommendations for amendments to the 2008-2009 budget.

1) #6110 Salaries & Wages -\$5,700.00

Mrs. Killian stated this decrease is due to a reduction in her salary that was designated as insurance.

2) #6121 Group Insurance +\$11,500.00

Mrs. Killian stated this increase is due to her as well as her husband moving to the EDC Insurance and recommends this amount be moved from the General Fund.

3) #6710 Land Improvements -\$1,000,000.00  
4) #6400 Special Programs +\$1,300,000.00

Mrs. Killian recommended moving monies from account # 6710, Land Improvements and reclassifying it as account #6400, Special Programs. In addition, due to the payment of Promise Hospital incentive being paid in the 2008-2009 budget year an increase of three hundred thousand dollars and no/100 (\$300,000.00) needs to be moved to this line item from General Fund.

**Motion made by Bert Rogers and seconded by Stuart Kieschnick to accept the abovementioned recommendation from Mrs. Killian, NEDC Executive Director for the 2008-2009 budget.**

**Motion Carried.**

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

**Noes:** None. **Absent:** Debby Griffin and Erik Shaw.

## **FINANCIAL REPORTS**

The board reviewed the income and expenses for the NEDC ending January 31, 2009 and also the 2007-2008 Fiscal Year End report. Mrs. Killian noted the fiscal year end report is unaudited. A brief discussion was held regarding the new format.

Mrs. Killian reported the NEDC has not made any investments in years and now that we know the cost of Beauxart Garden Road Project the Board of Directors might want to consider investing in Certificate of Deposits to get a better interest rate on the EDC's money. Mrs. Killian stated the NEDC does not currently have an investment policy or an investment treasurer.

## **EXECUTIVE SESSION**

The regular meeting was recessed at 5:30 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 5:59 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 Sew-N-Sew's has exceeded expectations and fulfilled their obligations to the NEDC through the monitoring process. Sew-N-Sew's received an incentive of seven thousand dollars and no/100 (\$7,000.00) on August 20, 2007 with a payback of 1.2 years. Mrs. Killian recommended that the monitoring of the abovementioned client be closed.

Mrs. Killian also reported International Specialty Products (ISP) has exceeded expectations and fulfilled their obligations to the NEDC through the monitoring process. ISP received an incentive of fifty thousand dollars and no/100 (\$50,000.00) on August 18, 2003 to be paid out over five (5) years. Mrs. Killian recommended that the monitoring of the above mentioned client be closed.

**A motion was made by Bert Rogers and seconded by Billy Neal to close the monitoring process for Sew-N-Sew's and International Specialty Products (ISP)**

**Motion carried.**

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

**Noes:** None. **Absent:** Debby Griffin and Erik Shaw.

### **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 and President Nick Phillips would be attending Golden Triangle Days in Austin on March 1-3, 2009.

Mrs. Killian reported the NEDC Disaster Loan Program was very successful and has currently received repayment of the loan from Dr. Gerstenberg along with a letter thanking the EDC for their help during this disaster. In addition the EDC has received partial payment from The Skin Salon.

Mrs. Killian announced the groundbreaking for the Sterling Ridge project went very well and thanked Sandra Rogers and Rod Hatch who took pictures at the event.

Mrs. Killian also announced she is working on a new design for the EDC web site which is very outdated. Paul Baker with Juxtapose has given a proposal of five hundred dollars and no/100 (\$500.00) to rebuild the web site and as a result of this the EDC will be able to make updates and changes ourselves.

Mr. Nick Phillips, the NEDC Board President proposed to the board of directors to consider purchasing laptop computers for the board meetings due to the large amount of paper being used for board packets as well as board meetings. The board members that are city council members already use laptops so it is possible that only about four (4) of five (5) laptops would have to be purchased. Mrs. Killian stated that she would gather information and pricing on purchasing these laptops.

### **ADJOURN**

**There being no further business, a motion was made by Bert Rogers and seconded by Billy Neal that the meeting be adjourned at 6:07 p.m.  
Motion carried.**

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

**Noes:** None. **Absent:** Debby Griffin and Erik Shaw.

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Nick Phillips, President

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Billy Neal, Secretary/Treasurer