

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

Minutes September 28, 2011

MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 4:30 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Stuart Kieschnick.

QUORUM

Board members present: Don Albanese, Larry Ducharme, Stuart Kieschnick, Jim McNeill, Bert Rogers, Erik Shaw and Randy Sonnier. Absent: None. Others present: Jim Wimberley, NEDC Attorney and Marlinda Eastberg, Secretary, NEDC. Guest present: Chris Duque, Nederland City Manager, David Gellner, Smoothie Innovations of Nederland, LLC.

MINUTES

A motion was made by Larry Ducharme and seconded by Bert Rogers to approve the minutes of August 30, 2011.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

A motion was made by Larry Ducharme and seconded by Don Albanese to approve the minutes of September 6, 2011.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

PUBLIC HEARING

The regular meeting was recessed at 4: 31 p.m. by President Kieschnick for the purpose of conducting a public hearing regarding the potential expenditures of funds for economic development for the new construction of Smoothie Innovations of Nederland, LLC, to be located at 1033 Nederland Avenue, Nederland, Texas.

Mr. Jim Wimberley introduced Mr. David Gellner owner of Smoothie Innovations of Nederland, LLC. Mr. Gellner stated several years ago he and his wife were looking for a business venture and decided to purchase the Smoothie King in Beaumont. Although the store was in terrible financial trouble they knew they could turn the store around. Mr. Gellner reported that they are in the top 10% of Smoothie Kings in the country. They have expanded to a second store in Lumberton and are currently working on additional stores in Beaumont and Nederland. He

stated they are very excited to open in Nederland and have already started doing fundraising at the local schools.

A brief discussion was held regarding the number of employees that would be hired and their hours of operation. With no more questions and /or comments President Kieschnick adjourned the Public Hearing at 4:34 p.m.

SMOOTHIE INNOVATIONS OF NEDERLAND, LLC

Mr. Jim Wimberley reported that the Impact Analysis Committee (IAC) has met and recommended that the NEDC approve an expenditure of funds not to exceed twenty thousand dollars and no/100 (\$20,000.00) with a 2.2 year payback.

A motion was made by Bert Rogers and seconded by Randy Sonnier to approve the expenditure of funds, not to exceed twenty thousand dollars and no/100 (\$20,000.00) with a 2.2 year payback, for the new construction of Smoothie Innovations of Nederland, LLC, to be located at 1033 Nederland Avenue, Nederland, Texas contingent upon the proper financial statements released and projected numbers met through the recovery period,

Motion carried.

Ayes: Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None. **Abstain:** Albanese.

PUBLIC HEARING

The regular meeting was recessed at 4:45 p.m. by President Kieschnick for the purpose of conducting a public hearing regarding the potential expenditure of funds for economic development for the implementation of the NEDC PRIDE (Providing Rewards in Development Efforts) Program, a matching dollar for dollar grant program designed to enhance the aesthetic appearance of our business community. Projects to be considered will include things such as landscaping, painting, signage and building facades.

Mr. Jim Wimberley stated this program was such a great success last year that the NEDC has once again budgeted a total of one hundred thousand dollars and no/100 (\$100,000.00) for this program. It will consist of the NEDC providing matching dollar for dollar grants of up to ten thousand dollars and no/100 (\$10,000.00) to qualified for profit businesses within the city limits. Businesses will be required fill out an application which will be reviewed by the NEDC Board of Directors. Every funded project will require a written contract outlining the project.

A brief discussion was held regarding a cut-off date once a grant was awarded. The board decided to add to the contract that an applicant has 120 days after notice of approval to complete their project.

With no more questions and /or comments President Kieschnick adjourned the Public Hearing at 4:49 p.m.

A motion was made by Erik Shaw and seconded by Don Albanese to approve the implementation of the NEDC PRIDE Program with the addition of 120 day completion date added to the contract.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

PRESENTATION

NEDC Board President, Stuart Kieschnick presented a plaque to retiring board member Bert Rogers for his six (6) years of service to the NEDC Board of Directors.

ELECTION OF OFFICERS

A brief discussion was held concerning the following open position for NEDC Executive Board. The position is for president. Erik Shaw is currently filling the position of Vice President and Randy Sonnier is currently filling the position of Secretary /Treasurer and both are eligible to keep their positions for one (1) more year.

A motion was made by Don Albanese and seconded by Erik Shaw to nominate Randy Sonnier as Secretary/Treasurer.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

A motion was made by Don Albanese and seconded by Bert Rogers to nominate Erik Shaw as Vice President.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

A motion was made by Don Albanese and seconded by Bert Rogers to nominate Larry Ducharme as President.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

FINANCIAL REPORT

The board reviewed the income and expenses for the NEDC ending August 31, 2011.

BUDGET AMENDMENTS

Mr. Jim Wimberley made the following recommendations for amendments to the 2010-2011 budget.

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| 1) #6110 Salaries & Wages | + \$4000.00 |
| 2) #6126 Social Security | + \$250.00 |

Mr. Wimberley stated the increase to these accounts was due to the resignation of Tracie Killian.

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| 3) 6333 Training & Travel | + \$1326.00 |
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Mr. Wimberley stated the increase to this account was due to the ICSC Conference.

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| 4) 6400 Special Programs | + \$32,640.00 |
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Mr. Wimberley stated the increase to this account was due to monies given for incentives and the PRIDE Program.

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| 5) 6393 Contractual Services | -\$38,216.00 |
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Mr. Wimberley recommended moving monies from account # 6393 Contractual Services into each of these accounts to cover the overages.

A motion was made by Bert Rogers and seconded by Larry Ducharme to accept the abovementioned budget amendments for the 2010-2011 budget.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

PERSONNEL

Mr. Jim Wimberley reported that the EDC has gathered information on several entities that provide "head hunter services" and would like direction from the board as to which outlet should be used in hiring an Executive Director. Mr. Wimberley suggested that a committee be formed to set the criteria for the job of executive director. It was also discussed as to rather or not to include a salary range in the job postings.

EXECUTIVE SESSION

The regular meeting was recessed at 5:35 p.m. by President Stuart Kieschnick 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 and Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property and Texas Government Code, Chapter 551.074, discussion regarding the position of Executive Director.

RECONVENE

The regular meeting was reconvened by President Stuart Kieschnick at 6:55 p.m. President Stuart Kieschnick announced no 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; Texas Government Code, Chapter 551.071 to discuss litigation and/or legal advice, Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property or Texas Government Code, Chapter 551.074, discussion regarding the position of Executive Director.

COMMUNICATION

Bert Rogers stated he has enjoyed his time serving as director and to call him if there is ever anything he can do for the EDC.

Don Albanese suggested looking as changing the EDC policy pertaining to monies spent on meals when an employee or director are attending conferences/seminar. Chris Duque, Nederland City Manager stated he would get a copy of the City of Nederland's policy for the EDC to review.

Marlinda Eastberg announced Friday, September 30, 2011 at 9:00 a.m. in the parking lot of Market Basket would be a dedication of a street sign in honor of Bum Phillips and encouraged everyone to attend. Also the board was reminded of the Nederland Chamber Golf Tournament scheduled for Friday, October 7, 2011 at Belle Oaks Golf Course with a tee time at 12:00 pm

ADJOURN

There being no further business, a motion was made by Don Albanese and seconded by Larry Ducharme that the meeting be adjourned at 6:00 p.m.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, McNeill, Rogers, Shaw and Sonnier.

Noes: None. **Absent:** None.

Stuart Kieschnick, President

Randy Sonnier, Secretary/Treasurer