



BOARD MEETING MINUTES – July 10, 2017

PRESENT: Jerod Peek, Kirby Andrews, David Welch, Carolyn Lawrence, Ken Becker, Larissa Place, David Vela, Joe Grant, Scott Morgan, Pat Gerald, Jay Lawrence, Leah Andrews, Gil Cherry, Weston Pyburn, Kirk Mayberry, Grant Cherry, Mattie Williams

CALL TO ORDER: 10:28 AM by Jerod Peek

PRAYER: David Welch

ACTION ITEMS:

MINUTES: Board to review and consider approving minutes from the June 12th 2017 meeting. Kirby Andrews made the motion to approve the minutes. David Welch seconded. The motion carried.

FINANCIALS: Board to review and consider approving the May 2017 financial statements. Carolyn Lawrence made the motion to approve the financials. Kirby Andrews seconded. The motion carried.

ACCOUNTS PAYABLE: Board to review and consider approving accounts payables. David Welch the motion to approve the accounts payables. Kirby Andrews seconded. The motion carried.

SELECT ENERGY: Verbiage allows SEED to end contract with Select Energy if they are not fulling obligations. Funds would be moved to the undesignated funds account. Kirby Andrews made the motion to end the contract with Select Energy. David Welch seconded. The motion carried.

RECOMMENDATION OF MDD: Jerod Peek - There have been many discussions recently to change the Type A Economic Development Corporation to an MDD. Type A is restrictive with its funds. MDD is open to many more projects. Open the floor to the visitors who would like to make a comment on this subject. Each person has 3 minutes.

Mattie Williams – No Comment

Weston Pyburn – The Texas Theatre needs a lot of help and it will take a few million dollars to get it where it needs to be. He is interested to see if the MDD could possibly help the Theatre financially.

Jay Lawrence – was on the Board in 1989 and is curious to see what kind of good an MDD could do for the community. He is concerned about how restrictive the Type A corporation is. Feels we are sitting on money. It is hard to compete with surrounding communities and this money could make Sweetwater more competitive.

Scott Morgan – he attended the joint meeting and feels the MDD would open more tools for the city to attract industry and improve Quality of Life issues.

Dale Martin – No Comment

Pat Gerald – on SEED Board in the 80's. If SEED was going to succeed they needed to manage money better than the surrounding areas. Since its inception SEED has done an excellent job. The original goal was to save \$5-\$7 million to be competitive. Now the City wants to use that money for other things than Economic Development. That money will go fast. We must be competitive to grow. Jobs and tax value are a priority. Jobs are now mobile but tax value can be enhanced by new industry. We will lose what attracts industry if these funds go somewhere else. We must increase the tax base. This is premature in calling city to change to MDD. The housing is a subject that can be addressed now without changing to MDD.

Kirk Mayberry – would like to know if the City is prepared to step in to facilitate the changes. How will the parks be maintained? Young families look for schools, so will people come and stay when there are other problems.

Gil Cherry – No Comment

Leah Andrews – likes the MDD unrestricted funds. But there needs to be structure in the bylaws. Board needs to be an important part. Needs to be maintained so the City does not blow through the funds.

Grant Cherry – public has a lot to learn regarding the MDD. Elimination of the restrictions is promising and this Board has proven it would be done properly.

Pat Gerald again – the City can and will most likely appoint a new board. People here have said they have faith in this Board but most likely the City will appoint a new Board and the faith is gone.



The sweetest place in Texas for business.

RECOMMENDATION OF MDD: Continued

David Welch – Rushing into this without clear understanding would be a mistake for the voters. The housing shortage in Sweetwater is real problem and drastic. Top managers live other places due to big housing problem in Sweetwater. We can do a subdivision funding while remaining a Type A

Kirby Andrews - agree with David Welch. Recruiting someone to this town is difficult. The town is not as attractive as it once was. Harder to compete with Snyder, Abilene and other surrounding communities. We need to make the community more desirable. Doing nothing is not the answer. This is a quick move so if we restrict the funds in the MDD and have an approved budget this could be great for the community.

Carolyn Lawrence – how will the bylaws be created? Will the public have a say so, will it be the City or the Board of SEED?

David Vela – the Board will create the bylaws. MDD board would be able to review and change the bi laws with the City Commission approval. Commission will ultimately have the final say.

Carolyn Lawrence – how is it controlled? Can you eliminate the retail part? How do you control all the funds?

Jerod Peek – this should be a learning process. Base ours off what Brownwood did but tailor it to Sweetwater. Concerns on maintaining if projects are done. These projects could expand the tax base. This is more than just job creation in economic development. MDD is not a community ATM. The Board must say no. This Board has said no in the past and the City has supported the Board in those decisions. Using this money for sound projects like housing is huge. Job creation needs to remain a priority.

David Welch – if the Board votes to recommend would we have to dissolve the Type A corporation first? And if so, if the MDD is not voted in by the public, what happens? There is no more EDC.

David Vela – legal advises right now is to have vote. It is voted in then the City Commission would dissolve the Type A Corporation the next day.

Pat Gerald – would like the funds currently in the bank to remain for ED projects only if moving to MDD. New funds raised could go towards other projects for MDD.

Jerod Peek – that could be a bylaw if approved by the City Commission.

Pat Gerald asked for Ken Becker opinion

Ken Becker – we work for the Board. This Board has done a good job. Been good stewards with the money in the bank. Times have changed. Schools, retail, housing are all issues for Sweetwater. Value of ED is not as great as it once was. For example, USG, they use less employees doing the same amount of work due to technology. Current projects have less impact than in the past.

Jerod Peek - Type A projects need to remain the keystone to the ED if it moves to MDD.

Kirby Andrews made the motion to recommend to the City of Sweetwater City Commissioners to change from a Type A Corporation to a Municipal Development District. Carolyn Lawrence seconded. The motion carried.

Jerod Peek – thank everyone for coming and taking time to show how much you care for the City of Sweetwater.

HOUSING STUDY: Ken Becker

We have gotten information from three different groups regarding a housing study. Larissa found an option with Texas A&M University. They have two options, one would be an in-class project. This would be \$7050.77. The second is if a student takes this on as an individual project reporting to faculty. This would be \$13950.64. Each of these would include 3 trips to Sweetwater to meet with community members.

The second option is with a group called MetroStudy. Ken does not feel as comfortable with them since they have not been able to supply a comparative study to what Sweetwater would need. They work with mostly companies. Their total is \$30,000.00, not to exceed 10% over.

The third option is with the group Brownwood went with Community Development Strategies. Their total is \$18,250 plus travel expenses not to exceed \$4,500.00. Potential total of \$23,250.00.



The sweetest place in Texas for business.

HOUSING STUDY: Ken Becker continued

Seed staff recommends going with the Community Development Strategies group. David Welch made the motion to get a contract with Community Development Strategies for a Housing Study for the City of Sweetwater. Carolyn Lawrence seconded. The motion carried.

CITY MANAGER UPDATE (David Vela): The board was updated on the following topics.

- July 27th from 4:30-7:30pm in the City Commissioners Chambers will be the Parks Planning public event. The city will start to advertise this event soon. It is a come and go and no formal presentation will be given.
- August 8th is when the request for grant funds needs to be at the State.
- Sales tax has been up the last two months.
- City Commissioners meeting tomorrow.

MARKETING/ADMIN UPDATE (Larissa Place): The board was updated on the following topics.

- Expansion Solutions magazine that we submitted our article to, also provides a list of contacts when they attend tradeshow. We received business cards along with information on the companies. Ken and Larissa will reach out to those, especially those looking at Texas as an option.
- We will be ordering some marketing giveaways. Pens, USB hubs and some bags.
- There will be a joint SEED and City Commissioners meeting regarding the legal aspects of the MDD on Monday July 31st at 11:00am. Location is possibly at the police department, but that is subject to change.
- Larissa will be considering some digital marketing for the new year.
- We have received a quote from Batts Communications for a new phone system. The Chamber would have to approve this as well since our phone system is connected.

EXEC DIR. UPDATE (Ken Becker): The board was updated on the following topics:

- Update on the W. Broadway property. 60 more days to allow the chemical to take effect before mowing can happen at the entrance. Ken has been working with TxDOT regarding the Broadway entrance location. He has been frustrated with the engineering group. They made the entrance over 850 ft. when it was only required to be 425 ft. from other entrance. TxDOT may even allow us to be closer than the 425 ft. This would be better for safety reasons especially visibility on Broadway as well as the slope on the property for an entrance.
- West Broadway bridge replacement has been postponed. They now plan on a November bid with a Jan/Feb construction start.
- CR 141 – Ken asked David Vela to provide an update. David advised they plan on meeting about this on August 8th and may decide to prevent any trucks that are over 5 tons to use this road.
- TxDOT is redoing part of I-20. Signs are up. They should be starting this morning. This could be either a 6 month or 19-month project depending on if they must use cement base.
- Dent Trucking performance bond. The Performance Bond is \$1800 with Mayberry Insurance. We were asked to consider a Guarantee Letter of Credit with First Financial Bank. This was \$1500. The Board advised the staff could make the decision to stay or go with FFB. Update at next Board Meeting.
- West Texas Rock Resources, Randall and Cheyenne Smith met with SEED to discuss a possible laydown yard with UP. They have reached out to them to see if something could work out there.
- We plan on meeting with Geoff Haney for lunch to discuss logistics projects.
- Schwermans Trucking – Ken met with the new terminal manager. They currently have 23 drivers and plan on hiring 6-8 more drivers. They have more product than they can haul right now.
- USG will begin their 4th shift in August. They have had 25 new hires who are currently in training. They are investing \$12 million into their quarry operation.
- Oil – 1 million barrels a day were exported for the month of May in 2017. This is the 1st time in US history.
- Board terms – David Welch term will be up September 30th. He has asked to not be reappointed. Kirby Andrews has asked to be considered to continue.
- Budget – we will be considering cutting back on booths at tradeshow and just attending instead, office phones, digital marketing, staff adjustments with Larissa getting 6.6% and drop the Assistant from her title.



The sweetest place in Texas for business.

EXECUTIVE SESSION: Carolyn Lawrence made the motion to go into Executive Session. Kirby Andrews seconded. The motion carried.

REGULAR SESSION: David Welch made the motion to re-enter Regular Session. Carolyn Lawrence seconded. The motion carried.

ADJOURN: Board to consider adjourning. There being no further business, David Welch made the motion to adjourn. The motion carried.