

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES
CITY OF SCHERTZ
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MONTHLY MEETING
THURSDAY, MAY 25, 2017

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, May 25, 2017 at 6:00 p.m. in the City Council Chambers, conference room, 1400 Schertz Parkway, Schertz, Texas.

CALL TO ORDER

1. Roll call and recognition of visitors.

President Brown called the meeting to order at 6:02 p.m. and welcomed everyone in attendance.

Board of Directors:

Tim Brown – President
Gary Howell – Vice President
Paul Macaluso – Treasurer/Secretary
Roy Richard
Mark Tew

Staff:

Kyle Kinateder – SEDC Executive Director
Patty Horan – Executive Assistant - ED
Jennifer Kolbe – Business Retention Manager
Drew Vincent – ED Analyst
James Walters – Director of Finance

Directors Absent:

Katie Chain

Others present:

Debbie Fraser – Auditor AVA
Nolan Macaluso - Resident

2. Introduction of new Economic Development Analyst, Drew Vincent. (K. Kinateder)

Mr. Kinateder introduced Mr. Vincent to the Board and shared a few highlights on his professional and educational background. Drew Vincent was hired on May 15th to serve as the Economic Development Analyst for the SEDC. Mr. Vincent's educational background consists of a Bachelor's degree from Baylor University and a Master of Public Administration (MPA) degree from the University of Kansas. He brings a variety of public sector experiences to his role, having worked in economic development as well as emergency management in Waco, Texas and data analysis/public budgeting for the City of Kansas City, Missouri. In his role at the SEDC, he'll be responsible for technical analysis, report production, database creation/maintenance, and serving as internal liaison to City departments. Mr. Vincent thanked the Board and the staff for the professional opportunity.

3. Public comment.

This time is set aside for any person who wishes to address the Board. Each person should fill out the Citizen's to be Heard registry form prior to the meeting. Presentations should be limited to no more than 3 minutes. The presiding officer, during the Public Comment portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

No comments were made.

ITEMS FOR INDIVIDUAL CONSIDERATION

4. Consider/Discuss/Act on approval of the Minutes for the Board of Directors Regular Monthly Meeting held on Thursday, March 23, 2017 (P. Horan)

A motion to approve the Minutes for the Board of Directors Regular Monthly Meeting held on Thursday, March 23, 2017 was made by Mr. G. Howell. **Seconded by Mr. R. Richard. Motion passed** unanimously.

5. Consider/Discuss/Act on approval of the Minutes for the Joint Meeting City Council and SEDC Board of Directors held on Tuesday, May 2, 2017 (P. Horan)

A motion to approve the Minutes for the Joint Meeting City Council and SEDC Board of Directors held on Tuesday, May 2, 2017 **was made by Mr. G. Howell. Seconded by Mr. M. Tew. Motion passed** unanimously.

6. Consider/Discuss/Act on Independent Auditor's Report for the SEDC Annual Financial Report for the Year Ended September 30, 2016. (Deborah Fraser, CPA/Armstrong, Vaughn and Associates)

Ms. Fraser provided a summary of highlights on the Independent Auditor's Report for the City of Schertz Economic Development Corporation Annual Financial Report Year Ended September 30, 2016. Ms. Fraser stated the audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporations' basic financial statements. Nothing came to the auditors' attention that caused them to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentations, appearing in the financial statements. Auditors issued their report on March 15, 2017 in accordance with the accounting principles generally accepted in the United States of America.

A motion was made to accept the Independent Auditor's Report for the SEDC Annual Financial Report for the Year Ended September 30, 2016 as presented **by Mr. P. Macaluso. Seconded by Mr. G. Howell. Motion passed** unanimously.

7. Review of the SEDC Monthly Financial Report for the months of March and April 2017. (J. Walters)

Mr. Walters provided an overview of the SEDC Monthly Financial Statements included in the Board Packet for the months of March and April 2017.

8. Consider/Discuss/Act on approval for recommendation to the City Council for the proposed SEDC FY 2017-18 Budget. (K. Kinateder)

Mr. Kinateder presented a detail overview of the proposed FY 2017-18 Budget as presented on the Financial Summary Proposed Budget Worksheet as of April 30th included in the Board's Packet. He

explained that the proposed budget builds upon previous SEDC efforts to reduce unnecessary expenses and reallocate spending to those programs that better reflect our strategic department focus. The proposed budget continues the focus of growing SEDC reserves to be used for SEDC projects that promote economic development. Major changes to the proposed FY 2017-18 budget include expenditures that will increase marketing efforts and undertake projects to plan for the strategic use of SEDC reserves. The most significant proposed changes in the FY 2017-18 Budget include the following:

- 4.3% increase in total revenue
- 13.5% decrease in total expenses
- \$2,300,508 to SEDC reserves
- \$500,000 allocated for Small Business Grant
- \$150,000 for development software
- \$50,000 for strategic planning
- \$42,000 (210%) increase for advertisement
- \$20,000 for 20th anniversary celebration
- \$10,950 (2.5%) increase for Service Agreement
- \$15,000 (37.5% decrease for legal services

The Board requested more information on the functionality related to the service and performance of the new development software to improve the development process. They also requested an update on the Lone Star Rail District (LSRD) agreement.

No action was taken.

9. Discussion on strategic planning of the SEDC reserves. (K. Kinateder)

Mr. Kinateder reported that as of April 30, 2017, the SEDC reserves reached \$13 million. He also reiterated that the SEDC Reserves may only be used for allocated Projects as defined by the Texas Local Government Code Section 501 and 505. Over the past year, multiple Projects have been discussed as potential candidates for funding from the SEDC Reserves. Some initiatives briefly discussed in general terms were:

- Future EDC Project (Incentive Policy)
- Infrastructure
 - Existing Roads
 - New Roads
 - Water/Wastewater
- Land Banking
- Workforce Development
- 1300 Schertz Parkway

The Board provided some feedback and offered to further discuss ranking of priorities for each project as more information is later provided. No action was taken.

10. Director's Report. (K. Kinateder)

Mr. Kinateder provided highlights on the following items:

- Project updates
 - Amazon.com Annual Certification 2016
 - On April 17, 2017, Amazon reported its compliance to the Agreement.

- Personnel updates
Staff attended the University of Oklahoma-Economic Development Institute (OU-EDI) Economic Development workshop training held in San Antonio on April 30-May 5, 2017.
- Central Schertz Development Updates
Report from Planning & Zoning was included for their review in the Packet.
- Business visited – the following businesses were visited during this period:
Caltex Protective Coatings | March 28, 2017
GE Oil & Gas | March 29, 2017
Prime Controls | April 14, 2017
Closner Equipment Company, Inc. | April 21, 2017
PSP Industries | April 21, 2017
- Events attended
City of Schertz EDC Manufacturers Roundtable | Schertz Civic Center | April 24, 2017
SAMA South Texas Trade Show | San Antonio, TX | May 10, 2017
Xponential 2017 | Dallas, TX | May 10, 2017
Economic Development Week | Schertz, TX | May 8-10, 2017

11. REQUESTS AND ANNOUNCEMENTS

The following announcements were made:

A. Announcements by City staff:

- Committee of Committees Advisory Board (CCAB) Meeting Summary – April 19, 2017
- Committee of Committees Advisory Board (CCAB) Meeting Summary – May 17, 2017
- Office closure – Memorial Day Holiday – May 29, 2017


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

No requests were made.


ADJOURN

President Brown adjourned the meeting at 7:35 p.m.

MINUTES PASSED AND APPROVED THIS 22 DAY OF JUNE 2017



Tim Brown - President



Paul Macaluso – Treasurer/Secretary