

MINUTES
ENNIS ECONOMIC DEVELOPMENT CORPORATION
CITY COMMISSION CHAMBER
CITY HALL, 115 W. BROWN
TUESDAY, AUGUST 11, 2015
4:00 P.M.

1. Call to Order:
2. Roll Call:
 - a. Board Members Present: Abram, Haupt, Montgomery, Newsom and Jones
 - b. Members Absent: Thomas and Ventura
 - c. Staff Present: Nelson, Ewings, Batchler, McCarty and Welch
3. Pledge of allegiance was recited
4. Invocation was offered by Mr. Nelson
5. Consider approving the minutes of 14 July 2015
 - a. Motion by Mr. Newsom; second by Mr. Haupt to approve the minutes as presented.
 - b. Five Ayes
6. Citizens Request for Public Hearing
 - a. No citizen addressed the Board
7. Finance review was conducted
 - a. Mr. Welch reviewed the current finance report.
 - b. Mr. Nelson reviewed the FY 15-16 budget
 - i. Nelson communicated concerns the Commissioners expressed during the first reading about three lines in the budget.
 1. The line item "Sysco / Airport" was discussed in terms of \$2,000,000 being adequate to complete either project in the 15-16 budget year. The Directors recalled they voluntarily set-aside \$2,000,000 for Sysco and \$1,938,500 for the Airport project based on construction cost estimates. The Directors agreed \$2 million is adequate to set-aside for these projects given the unlikelihood of either project occurring in the FY15-16 budget year.
 2. The line item "Catalyst Project" was discussed in terms of the Commissioners desire to ensure projects that require city commission approval be clearly identified. Nelson explained the intent of this line was to provide transparency for the Commissioners and citizens by setting aside funding for Catalyst Projects identified by either the Comprehensive and/or Downtown Master plan. Nelson further explained, the issue of whether or not an individual project could be approved by the EDC or require approval by the City Commission is driven by the type of project and relevant law. Because neither the comprehensive or downtown master plans are complete or approved, projects cannot be specifically identified at this time. The Directors discussion lead to the decision to eliminate this line item from the budget.

3. The line item "Property Acquisition" was discussed in terms of the Commissioners desire to ensure acquisitions that require City Commission approval be clearly identified. Nelson explained the intent of this line item was to provide transparency for the Commissioners and citizens and to provide the Directors flexibility to make prudent acquisitions as an opportunity presented itself. Nelson further explained the requirement to take certain acquisitions to the City Commission is driven by the type of acquisition and relevant law. Because there are no acquisitions that can be specifically identified, other than Project Firebird, the Directors discussion lead to the decision to reduce funding in this line item to an amount adequate to fund Project Firebird (\$1,000,000).
 - ii. Another point of discussion was the precedent of approving a "balanced" budget. Balanced being defined as (Fund Balance + Anticipated Revenue) = (Debt Service + Operating and Capital Expenditures) with no un-allocated fund balance. Research of the last six budgets reveal the budget has always met the definition of a "Balanced" budget. The option of leaving a sum, un-allocated, has not been done in the previous six budgets.
 - iii. Nelson presented three budget options:
 1. Option 1: Original budget presented to the City Commissioners
 2. Option 2: Eliminated "Catalyst Projects" line item \$2,000,000. Reduced the "Property Acquisition" line item to \$1,000,000 and rolled \$2,850,000 into the "unrestricted" line item fund with the intent of using the funds on a case-by-case basis with appropriate approval by the City Commission.
 3. Option 3: Eliminated "Catalyst Projects" line item \$2,000,000. Reduced the "Property Acquisition" line item to \$1,000,000 and put \$2,850,000 in unallocated fund balance.
 - iv. The Directors, taking into consideration feedback from the City Commissioners, the established "balanced" budget precedent, a desire to maintain the agility to make prudent investments when appropriate, determined to approve Option 2.

8. Economic Development Update was presented

- a. Industrial Development
 - i. Project Firebird was reviewed
 - ii. Polyguard land sale was reviewed
 - iii. Schirm land sale was reviewed
- b. Downtown Development
 - i. Ms. McCarty provided a general update about Main Street activities. (Fall Festival, Lights of Ennis, First Lady Visit, TDA Conference and Fall Nationals)
 - ii. The Tax Increment Financing Zone "TIRZ" was reviewed (Feasibility Study)
 - iii. The Downtown Master Plan was reviewed (Assessment phase)
- c. Commercial Development
 - i. Permitted total: \$3,014,797 (17 projects)
 - ii. Planning total: \$3,274,882 (6 projects)
 - iii. TOTAL: \$6,289,684
- d. Retail Development
 - i. Westgate was reviewed
 - ii. I-45 was reviewed

9. Actions:

a. Consider recommendations to modify the FY 15-16 Budget.

- i. Motion by Mr. Jones; second by Mr. Haupt to approve budget option 2.
- ii. Five Ayes

10. Meeting adjourned at 4:48 Pm CST.

A handwritten signature in black ink, appearing to read "Russell R. Thomas", written over a horizontal line.

RUSSELL R. THOMAS
Secretary

MWN