

**CITY OF KERRVILLE, TEXAS REGULAR MEETING
ECONOMIC IMPROVEMENT CORPORATION**

August 16, 2010

On Monday, August 16, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Jack Pratt, Vice President
Alan Massey, Secretary /Treasurer
Gregg Appel
Rex Boyland
Warren Ferguson
Robert Miller

Members Absent:

None

Staff Present

Todd Parton, City Manager
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Mike Wellborn, Director of Engineering
Teri Kinsey, Administrative Assistant to City Secretary

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

Harvey Brinkman advised the Board that he would be submitting a Capital Improvement Funding request for demolition and clean-up.

4. PRESENTATION:

4A. Presentation concerning KEDF report on USDA-ARS U.S. Livestock Insects Research Laboratory project status.

Guy Overby, President of the KEDF, presented an update concerning the USDA project. The USDA regional board of directors were concerned whether or not EIC would continue to fund this project; if not, Kerrville would risk losing this facility. USDA requested funds for the 2012 budget; Congress has already spent \$3.5 million on design & engineering for this project and the total expenditure for this project was approximately \$40 million. Congressman Smith had requested full congressional support. The Board discussed the importance of the USDA research lab and ways to achieve additional support. Mr. Overby noted that since 2006, four trips had been taken consecutively to Washington, DC. The Board also asked what the annual payroll at the facility was; the average job is about \$74,000 per year, and direct and indirect impact on the Kerr community was about \$7 million.

5. APPROVE MINUTES:

5A. July 19, 2010

Mr. Pratt moved to accept the minutes of the July 19, 2010 meeting; Mr. Miller seconded, motion passed 7-0.

6. MONTHLY REPORTS:

6A. Monthly financials for July 2010

Mike Erwin presented the July 2010 financials. Mr. Pratt moved to accept the financials as presented; Mr. Ferguson seconded; motion passed 7-0.

6B. EIC construction project status

Mike Wellborn presented the July 2010 construction project status report. The construction report was accepted by consensus.

7. INFORMATION AND DISCUSSION:

7A. Update on the recommendation from Patterson and Associates for EIC to set up a separate investment portfolio.

Mr. Erwin noted that EIC funds were subject to the Public Funds Investment Act, which allowed for several areas of investment e.g. TexPool and TexStar. Mr. Erwin explained that Linda Patterson, the city's investment advisor, suggested EIC have a separate portfolio. Linda Patterson will attend the September meeting and would be better able to answer their questions pertaining to the requirements of investing.

The Board questioned why EIC can not accept a pledge over \$250,000? Mr. Erwin advised that was just the FDIC's ruling on the matter. It was also noted according to the Attorney General, EIC were not eligible for collateralization under state statute. EIC was not a public entity, but did control public funds. The Board asked staff to research what other Economic Improvements entities were doing regarding investment policies.

The following public comments were made:

- Mr. David Williams stated that under the Texas Public Funds Investment Act any securities that were eligible investments under that act were eligible to be purchased under a repurchase agreement.

Consensus of the Board was to have Mr. Erwin report on the city council's action on the proposed investment policy, and to schedule Ms. Patterson to attend the September EIC meeting.

7B. Update on Convention Center Review Panel.

Mr. Ferguson reported that there was little information at this time; negotiations with Hunter Equity were proceeding.

7C. Update on Kerrville Economic Development Council.

Mr. Pratt reported that the Kerrville Economic Development Corporation was in the process of appointing an Executive Director. Presentations were made to the Chamber of Commerce, KISD, KPUB and City Council on the progress establishing the KEDC.

7D. Discussion pertaining to the Lower Colorado River Authority's application to amend its Certificate of Convenience and Necessity.

The Board made an official statement against the proposed LCRA CREZ line through the city of Kerrville or the community due to the negative economic impact it would have. The Board supported the city's position.

8. EXECUTIVE SESSION:

Mr. Ferguson moved that the Economic Improvement Corporation go into executive closed session under sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic

development negotiations) of Chapter 551 of the Government Code of the State of Texas; Mr. Pratt seconded; motion passed 7-0 to discuss the following matters:

Sections 551.071, 551.072 and 551.087:

- Negotiations with Hunter Equity regarding the construction of a multi-purpose meeting facility for the city of Kerrville.

Sections 551.071, 551.072 and 551.087:

- Economic development grant/loan agreement between Kerr Economic Development Foundation, Inc. and the City of Kerrville, Texas Economic Improvement Corporation (USDA Facility).

At 4:55 p.m. the regular meeting recessed and the Board went into executive closed session at 4:56 p.m. At 5:41 p.m.; the executive closed session recessed and the Board returned to open session at 5:42 p.m. The chairman announced that no action had been taken in executive session.

9. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:** None

10. **ADJOURNMENT:**

Mr. Pratt moved to adjourn the meeting; Mr. Boyland seconded; motion passed 7-0. The meeting adjourned at 5:44 PM.

APPROVED: August 16, 2010


Bill Crumrine
President

Teri Kinsey
Admin. Assist. to the City Secretary