

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

**REGULAR MEETING
MAY 16, 2011**

On Monday, May 16, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 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 (*arrived at 4:05 pm*)
Gregg Appel
Rex Boyland
Warren Ferguson
Robert Miller

Members Absent:

None

Staff Present:

Mindy Wendele, Director of Business Programs
Mike Erwin, Director of Finance
Kevin Coleman, Director of Development Services
Teri Kinsey, Assistant to the City Secretary

2. **INVOCATION:** Given by President Bill Crumrine.

3. **VISITORS FORUM:** No one spoke

4. **APPROVE MINUTES:**

4A. Approve minutes from May 16, 2011.

Mr. Pratt moved to approve the May 16, 2011 minutes; Mr. Appel seconded; motion passed 6-0.

5. **MONTHLY REPORTS:**

5A. EIC construction project status.

Mr. Erwin presented the April 2011 construction project status report. The construction report was accepted by consensus.

5B. Monthly financials for April 2011.

Mr. Miller moved to approve the April 2011 financials as presented; Mr. Pratt seconded; motion passed 7-0.

5C. Discussion regarding auditor's recommendation for recording EIC expenditures in a capital projects fund.

Mr. Erwin informed the Board it was the auditor's recommendation not to use a capital projects fund any longer; when a capital project is funded it becomes the asset of the city. Instead, the funded amount would be shown as a liability in the EIC's operating fund and would be able to earn interest. As expenditures are needed, the money would be moved at that time. Monies used to fund projects outside the city limits stay in the EIC account until checks are ready to be issued. Mr. Erwin also stated that starting next budget year, the EIC capital project account will no longer exist, but the spreadsheet will still be provided to the Board as part of the financial report. It was the consensus of the board to implement the change effective immediately.

6. CONSIDERATION AND ACTION:

6A. Consideration of funding agreement amendment request from Hill Country Home Opportunity Council.

Parker Harrison requested from the board two items; for a one year extension to the current agreement due to the surveying and engineering work taking longer than expected and to request an additional \$100,000. Mr. Harrison stated that the bids being received from local contractors have been considerably higher than first expected.

Mr. Boyland moved to extend the funding agreement 12 months and to additionally fund \$100,000; Mr. Massey seconded, motion passed 5-2 with Messrs Crumrine, Boyland, Ferguson, Miller, and Massey voted for and Messrs Appel and Pratt voted against.

Note: Mr. Ferguson abstained from voting; however he did not file a conflict of interest form, therefore in accordance with Section 3.3 and 3.4 of the Procedural Rules for Kerrville Boards, his official vote was stated in the affirmative.

7. INFORMATION AND DISCUSSION:

7A. Update from Ray Watson, Director of the Kerrville Economic Development Corporation.

Ray Watson gave an overview of what the KEDC has been doing since he last met with EIC. The KEDC has begun to set up timelines and objective for economic growth along with creating business contacts in Kerrville. Mr. Watson stated that the main objectives were; medical, affordable housing, and a facility at the airport. A list of contacts was given to Board members and a brief description was given of action that has been taken with each group. The Board asked Mr. Watson to share some of his observations about the community:

- High quality regional medical center
- Updates to retail site
- Golfing community is a great asset
- Lacking "upper scale" retail

Mr. Pratt advised current and future Board members that on occasion, Mr. Watson would not be able to disclose certain names and/or entities.

7B. Discussion regarding the City Council's action taken on the EIC Investment Policy.

Mr. Erwin advised the Board that City Council tabled the investment policy at their last meeting. Mr. Crumrine wanted it stated for the record that the EIC Board did everything asked of them in regards to creating an investment policy for EIC.

7C. Discussion regarding joint meeting with City Council and the EIC Board.

Mr. Erwin informed the Board that no date has been set for another joint meeting between Kerrville City Council and the Economic Improvement Corporation.

7D. Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory.

Ms. Wendele reported for Mr. Hayes, no new information has been received from USDA since being returned the drafted agreement.

7E. Comments for outgoing EIC President.

Both Mr. Crumrine and Mr. Ferguson wanted to extent their gratitude to their fellow board members, city council and the city staff.

8. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

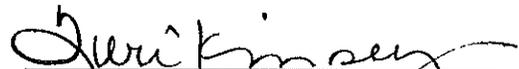
10. ADJOURNMENT:

Mr. Ferguson moved to adjourn the meeting; Mr. Appel seconded; motion passed 7-0. The meeting adjourned at 5:25 PM.

APPROVED: June 20, 2011



President



Teri Kinsey, Deputy City Secretary