

David Ottmer called the Regular Meeting of the Bellville Economic Development Corporation to order at 4:05p.m., Tuesday, June 19, 2007, in the Council meeting room at City Hall, Bellville, Texas.

Warren Scott offered the invocation and led the Pledge of Allegiance and Pledge to the Texas Flag.

Present were: Warren Scott, David Ottmer, Jim Freeman, Allene Schmitt, and Denise Haugen. A quorum was certified. Executive Director Carolyn Gibson was present. Wayne Browning arrived during the Treasurer's Report and Angela Franks was absent.

Motion was made by Warren Scott to accept the agenda. Motion was seconded by Denise Haugen. Motion carried unanimously.

Agenda Item #5

Consideration and Action to Approve Minutes of the Previous Regular Meeting

Motion was made by Denise Haugen to accept the minutes of the previous regular meeting, May 22, 2007. Motion was seconded by Warren Scott. David Ottmer, Denise Haugen and Warren Scott voted aye. Allene Schmitt and Jim Freeman abstained from voting as they were not present at the meeting May 22nd. Motion passed.

Agenda Item # 6

Consideration and Action to Approve Treasurer's Report, Payment of Outstanding Bills

At Warren Scott's request, Carolyn Gibson gave the Treasurer's Report based on Balance Sheet, YTD and May Profit & Loss Statements, and Bank Reconciliations. Balance in FNB Checking Account as of May 31, 2007 was \$28,415.02. May Sales Tax Revenue of \$19,974.35 and Interest Income of \$46.23 resulted in total monthly deposits of \$21,229.14. Checks totaling \$39,396.48 were posted. Balance in Wells Fargo Money Market Account as of May 31, 2007 was \$51,319.33, with an interest payment of \$134.93. Balance Sheet showed the following current Certificates of Deposit: Guaranty Bank- \$91,757.21, Industry State Bank-(1) \$100,416.02 & (2) \$101,182.60, and Wells Fargo- \$30,731.24. Total Current Assets as of May 31, 2007 are \$403,821.42. Interest earned on CD's for May was \$1,251.31. Outstanding bills totaling \$31,056.03 were presented for payment to: Bellville Chamber of Commerce of \$3,500.00 for Contract of Services for July, Carolyn Gibson of \$334.34 for expenses & mileage, Wells Fargo Visa- \$510.95, Texas Association of Business- \$300.00 for dues, and Hotel Wayne of \$24,911.78 for the final payment of grant proceeds. Bills were also presented for payment to The Eagle Lake Headlight- \$101.11, Fayette County Record- \$220.50, Columbus Banner Press- \$173.25, and Fort Bend Herald Coaster- \$359.10 for advertising. A motion was made by Wayne Browning to approve the Treasurer's report and pay the bills. Wayne Browning amended his motion to pay the bills upon approval of the Hotel Wayne receipts presented for payment by Jim Freeman and Carolyn Gibson. Motion was seconded by Allene Schmitt and carried unanimously.

Carolyn Gibson pointed out to the Board that the CD at Wells Fargo would reach maturity on the 1st of July. Warren Scott made a motion to renew the CD for a 6 month period at the institution offering the highest interest rate. Motion was seconded by Denise Haugen and carried unanimously.

Agenda Item # 7

Public Comment

Mr. Gerry Williams, owner of B&W Construction spoke to the Board, requesting reconsideration of their denial of the Northwest Community Revitalization Project. He stated he had a problem

with the decision, that the criteria were met according to BEDC requirements. He also said that he was turned down because of HUD regulations, and that he had obtained a HUD brochure showing that HUD was only concerned with HUD projects, not any private construction projects. He asked for a formal appeal for reconsideration because BEDC was out of scope of requirements for denial of the project. He stated that the project would bring in tax revenue and affordable housing for the community, that the Northwest Community Revitalization Project was a good fit for BEDC funds. He said the proposal should be reconsidered because the criteria were out of line with the BEDC Board's scope.

David Ottmer read a legal opinion (attached) from the BEDC attorney, Jeff Moore, stating that the statutes very clearly state that BEDC (a 4B corporation) could only fund "Affordable Housing" that met HUD requirements.

Mr. Williams stated that after reviewing 42 U.S.C.A. 12745, the only reference he found regarding builders was "building for homeowner's building code standards."

Mr. Ottmer stated again that the attorney's opinion was what the BEDC based their decision upon, but the Board would be willing to have their attorney review the project again. He also said that the project was a worthwhile one, but not allowable for 4B funding, according to the attorney.

Mr. Williams stated that if affordable housing was held up for review against his project, it fits; and that those on the Board who had seen the project know it fits. He was therefore requesting reconsideration of the Board's denial.

Mr. Ottmer said that BEDC would go back to their attorney for a review of the decision and thanked Mr. Williams for his time.

Terry Hoover with Edward Jones Company asked to be considered for future BEDC investments, stating that their rates were very good at this time and the funds were insured by FDIC. He stated that partial amounts could be obtained before the investments matured with no penalty. The minimum for a CD purchase is \$5,000.00. Denise Haugen asked what the fee structure was for purchasing CDs. Mr. Hoover presented information to each Board member. Mr. Ottmer thanked Mr. Hoover for his time and asked the Board to review the information.

Agenda Item # 8 Acceptance of any Grant Requests

There were none.

Agenda Item # 9 Workshop for Fiscal Year 2007-2008 Budget

David Ottmer reminded the Board that the current fiscal year was drawing to a close, and would end August 31, 2007. The budget must be approved by BEDC and then City Council before that date. Carolyn Gibson gave members of the Board a copy of the 2006-7 Annual Budget, 2005-6 Profit & Loss Summary, The Trial Balance as of August 31, 2006, and a Previous Year Comparison of the current Profit & Loss with 2005-6 to May 31, 2007. The Board will review the financial information before a Budget Workshop to be held July 10, 2007 at 5:00pm. Carolyn will put a public notice in the Bellville Times with the workshop date, place, and time, prior to the meeting.

Agenda Item # 10 Committee Reports and Any Related Action

There were none.

Agenda Item # 11 Executive Director's Comments and Any Related Action

Carolyn Gibson presented Board members with a copy of a letter from Governor Perry encouraging Texas to seek innovation and technology based businesses, committing the state's resources for assistance when possible. Also presented were a summary of economic development based legislation passed by the 80th Legislature from the Governor's Office, information on Texas Dept. of Housing and Community Affairs new rental housing development program designed to help rural communities expand rental housing affordable for the local workforce, upcoming LCRA/TLI seminars, the 4th quarter 2006 retail sales report for Austin County, information on 2007 Texas Travel Summit in Houston, September 24-26, an article by Ray Perryman on rural economic turnaround, the 2006 overview from USDA Rural Development Projects, and 11th Annual Texas Workforce Conference in Houston November 14-16. Allene Schmitt expressed an interest in attending the Workforce Conference with Carolyn. She will check with H-GAC regarding payment for the Conference. Also presented were the May edition of "Capitol Update", and SBA Quarterly Indicators for the 1st quarter of 2007. Carolyn presented a coaster and post-it notes with BEDC logos imprinted for promotional purposes to the Board. Denise Haugen made a motion to spend \$1000.00 on customized coasters and post-it notes with the BEDC logo imprinted on them. The motion was seconded by Allene Schmitt and carried unanimously.

The quarterly occupancy report for Hotel Wayne, the occupancy & inquiries report from the Austin County Fair Association for the Austin County Fair Convention & Expo Center were presented for review, along with an email received from BEDC attorney, Jeff Moore regarding the B&W Construction grant, information from The West Houston 2050 Symposium that Carolyn attended June 14th in Houston, and the upcoming Texas Association of Partners in Education Conference in January 2008.

Warren Scott made the motion for BEDC to pay for Carolyn's attendance at the TFEA Annual Conference July 19-22 in Corpus Christi. Allene Schmitt seconded the motion which carried unanimously. Carolyn and Susan Sullivan with the Austin County Fair Association will share hotel expenses for the trip. Finally, an updated version of the BEDC Grant Application was presented for the Board's comments and suggestions.

Agenda Item # 12

Questions and Comments from Board Members

Carolyn Gibson reported to the Board that the Chamber of Commerce had enrolled for health insurance for her, and would be paying the premiums. The Board expressed their pleasure at this news.

Adjournment

There being no further business to come before the Board, Warren Scott made a motion to adjourn which was seconded by Jim Freeman. President Ottmer adjourned the meeting at 5:12p.m.

Carolyn Gibson, Recording Secretary