

**SULPHUR SPRINGS-HOPKINS COUNTY
ECONOMIC DEVELOPMENT CORPORATION
MONDAY, June 22, 2009
12:00 P.M.**

A scheduled meeting and an executive session of the Sulphur Springs-Hopkins County Economic Development Corporation was held at 12:00 p.m. on Monday, June 22, 2009 at the EDC Office at 1200 Enterprise Lane, Sulphur Springs, Texas.

*Present: Carl Bryan, President
Tom Sellers, Vice President
Bobby Gillis, Sec/Treasurer
Clay Walker*

Absent: Gene Watson

*Staff: Roger Feagley, Executive Director
Carol Reid, Assistant*

Guests: (none)

Media: (no media)

CALL TO ORDER

President Carl Bryan called the scheduled meeting to order at 12:10 p.m.

APPROVAL OF MINUTES FROM THE MEETING HELD ON May 18, 2009

President Bryan requested a motion to approve the minutes from the board meeting held on May 18, 2009. Bobby Gillis moved to approve the minutes and Tom Sellers seconded the motion. The vote was unanimous and the minutes were approved.

REPORT FROM BAWCUM & PREUSS COVERING EDC FINANCIAL for May, 2009

As Mr. Wayne Bawcum was absent from the meeting, President Bryan asked the board members if there were any questions regarding the May financial report. Director Feagley offered information regarding funds had been moved from the regular checking account to the interest bearing account. Having no questions from any of the board members, President Bryan requested a motion to approve the financial report for May, 2009. Tom Sellers moved to approve the report and Bobby Gillis seconded the motion. The vote was unanimous and the financials were approved.

DISSCUSSION AND ACTION ON PROJECTED INCOME FOR BUDGET FISCAL YEAR 2010

President Bryan addressed the board regarding the topic of Projected Income for Budget Fiscal Year 2010. Vice President Sellers questioned as to how the projected income/sales tax was derived. Director Feagley noted through the years since 1995, with the exception of two years, that the average increase was approximately 3.79%. It was also noted by President Bryan that “even in this economic meltdown, we have a 4.9% increase...” so far in the current year. Director Feagley stated he would prefer to be more optimistic but since the future of our economy is unknown, he elected to go with the average percentage of previous years for a conservative income projection. Vice President Sellers also agreed there is a need to be conservative. President Bryan questioned Director Feagley as to what he needed them to do at this point. Director Feagley stated he was requesting their approval on the Projected Income. President Bryan stated since the Projected Income for Budget was included in the Budget Fiscal Year 2010, which had not been discussed, suggested proceeding with the Budget as it was next on the agenda.

DISSCUSSION AND ACTION ON BUDGET FISCAL YEAR 2010

With President Bryan addressing the topic of the Budget, Vice President Sellers began by directing a question to Directory Feagley regarding the Personnel costs. Director Feagley explained that with the change in personnel (the Executive Assistant’s position) and no pay increases for the year, the gross pay went down. President Bryan observed that the new budget does include a pay increase for personnel for the upcoming fiscal year and Director Feagley confirmed. President Bryan then moved on to the Business Parks and the reason for the increase in the budget for that item. Director Feagley said his intentions were to “clean-up Heritage Park” so that the property could actually be seen from the road. He would use the increase primarily for taking out the small scrub trees and general clean up. Also, he planned to do as much small tree removal and clean-up as possible on White Oak Business Park with any remaining portion of the increase. Director Feagley pointed out this increase was the only real significant increase in the operating area. Moving on to the Promotions budget, Vice President Sellers inquired about the limitations set by law on promotional spending. Director Feagley conveyed the law stated that no more than 10% of the overall income was allowed to be used towards promotions. The proposed budget was only 6% which was well below what the state allowed. He explained that he kept the same figure as last year as it was difficult to budget for promotional costs because you never know what opportunities may develop but stated he had never used the full amount shown in the budget. The next item in question on the budget was the Debt Budget. Vice President Sellers and Mr. Gillis both asked about Coleman Park and the Tech Center and how long did we have to keep paying \$150,000.00/year. President Bryan responded with Director Feagley - “20 years”. President Bryan then asked “How long have we been paying that?” and Directory Feagley responded with approximately 10 years. Director Feagley also added that this debt was actually owned by the City and the EDC is paying the City as the result of the citizen’s vote. The EDC is committed. President Bryan then asked Councilman Clay Walker if he saw anything on the budget that he had a question about or an issue with and Mr. Walker asked if the Unallocated Funds were basically the amount of funds left over. Director Feagley confirmed along with President Bryan that it was. Director Feagley went on to say the projected interest income noted in his figures was not included in total income projection nor were the monthly payments made by Xtreme Structures. President Bryan inquired if they were doing alright and still paying. Director Feagley stated they were always prompt with their payments and as far as he knew they were doing okay. Vice President Sellers then made the motion to approve the Budget Fiscal Year 2010. Clay Walker seconded the motion. The vote was unanimous and the Budget for Fiscal Year 2010 was approved.

REPORT OF EDC ACTIVITIES

Director Feagley advised the board of an open records request made by Janet Phillips though the EDC website. There were approximately 6 questions. Director Feagley went over her questions and his

answers with the board members. Director Feagley then addressed the recent article in the News Telegram regarding questions and comments on the myssnews.com forum made by residents of Sulphur Springs. He went on to provide the general views and opinions held by the “bloggers” of himself as well as the EDC board members. Moving along, Director Feagley expressed that he felt the grand opening of Owens’ new facility went very well and noted all the efforts made by the Executive Assistant to assist them during the planning stage as well as during the opening itself. Director Feagley then reported that the EDC would be a sponsor in the up-coming 2009 Workforce Solutions’ Regional Manufacturing Summit scheduled for July 8th in Texarkana. With our sponsorship, we are entitled to two tables and he plans to take as many representatives of our manufacturing community as possible. Director Feagley reported on the recent meeting with Patsy Bolton and other members of the Sulphur Springs ISD regarding help with the water and sewer for the new school as well as the area along the new portion of Hwy 11. Director Feagley explained to Mrs. Bolton that the EDC could do it for retail businesses but there was no retail going in at this time. Clay Walker presented the question of which water district that area was in. After general discussion, the board members concluded that the project appeared more involved and complicated and there would be little, if anything, that the EDC could contribute. Having completed the administrative update, Director Feagley reported on marketing and that he plans to attend the IAMC (Industrial Asset Management Council) Fall Forum in September. He feels this is one of the best opportunities to get to talk with asset managers face to face. He will also attend the food show, Process Expo, in Las Vegas scheduled for October and then Fab Tech which is a metal/welding show in Chicago scheduled for November. Regarding Business Retention, Director Feagley said he plans to begin the process of setting appointments to visit businesses very soon. Clay Walker asked about Daisy Creamery. Director Feagley said he sent a letter outlining the incentives that Sulphur Springs had to offer and would welcome an opportunity to talk with them about any up coming needs they may have if they were planning to expand or relocate. Daisy Creamery never responded. Vice President Sellers relayed information about a cocoa processing company locating in Commerce.

President Bryan asked if there was anything else that the board needed to consider or any questions. As there were none, President Bryan stated there was a budget increase for salaries that need to be approved by the board. Vice President Sellers suggested the board adjourned to executive session.

Adjourn to Executive Session at 12:56 p.m.

ADJOURN TO EXECUTIVE SESSION TO BE HELD IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE 552.086 TO DELIBERATE REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS TO DISCUSS COMMERCIAL AND FINANCIAL INFORMATION RECEIVED FROM A BUSINESS WITH WHICH THE ECONOMIC DEVELOPMENT CORPORATION IS CONDUCTING NEGOTIATIONS, AND DISCUSS FINANCIAL AND OTHER INCENTIVES CONSIDERED FOR THE PROSPECT.

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| <i>a. Project STC</i> | <i>f. Project TXS</i> | <i>k. Project Concrete</i> |
| <i>b. Project Bottle</i> | <i>g. Project Cobra</i> | <i>l. Personnel Matters</i> |
| <i>c. Project Crate</i> | <i>h. Land Purchase</i> | |
| <i>d. Project Firefly</i> | <i>i. Land Sale</i> | |
| <i>e. Project Heartbeat</i> | <i>j. Project Intermodal</i> | |

RECONVENE IN OPEN SESSION

Reconvene at 1:14 p.m.

ACTION AS A RESULT OF EXECUTIVE SESSION

President Bryan stated he felt there was nothing discussed in the executive session about which any action was necessary save and except the board approval of the increase of the salaries that was delineated by the budget. President Bryan then asked for a motion to approve the budget increase. Bobby Gillis moved to approve the budget increase and Tom Sellers seconded the motion. The vote was unanimous and recorded as approved.

ADJOURN

Meeting adjourned at approximately 1:15 p.m.