

City of Buda 4 B Corporation

Minutes
Regular Meeting
Monday, July 9, 2012

Board attendees: Cathy Chilcote, Antonio Sosa, Renee Mauzy, Rachel Najera, and Sandra Tenorio. Kenneth Williams arrived at 6:10pm. Lisa Saucedo was not in attendance.

Staff attendees: Senior Executive Assistant Janet Shull

Guests: Charlie Zech, Buda EDC attorney; John Trube; Veronica Gordon, Hays Free Press; Chloe Johnson and Susan Long, Johnson & Associates; Eileen Conley, Memory Lane Antiques

Presentation – Municipal Development Districts

Director Chilcote advised the Board the following presentation on municipal development districts (MDD's) would be given by Buda EDC attorney Charlie Zech. She stated councilmember Ronald Fletcher had requested a joint meeting between the Council and the EDC Board regarding MDD's at 6:00 p.m. on July 17, 2012 at City Hall.

Mr. Zech began his presentation with benefits of creating a MDD. Those benefits include: it's the only sales tax you can implement in an Extraterritorial Jurisdiction (ETJ), boundaries of the MDD can be automatically expanded when annexation occurs, a Corporation doesn't have to be set up, bylaws are not required, and City Council approval on expenditures and budgets are not required. A MDD has to be created by election and everyone in the district has the ability to vote. The MDD Board is appointed by City Council and consists of at least 4 members. City Council, City employees and City officers may be members of the board. Directors can reside in the City or the ETJ and may be removed by City Council at any time. Once the election passes and a Board appointed, the Board has to pass a resolution establishing a development project fund. All sales tax proceeds that are collected within the district are deposited into this fund. Proceeds can only be used within the district for economic development purposes. Issues of dissolving a Type B Corporation is: the tax has to remain in place until the debt is paid, i.e. sales tax couldn't be implemented within the MDD until the debt obligation for the Type B Corporation is met, contracts can't be impaired, and if the Type B Corporation is dissolved, all assets of the Type B Corporation transfer to the City, not the MDD.

Questions that arose from the discussion were: 1) if the ESD is getting sales tax in the ETJ, would the MDD's sales tax be in addition? 2) is there a ratio of board members for a MDD (ratio of Council members, citizens, etc.)? 3) is a MDD a separate organization from the EDC? 4) can an EDC serve the function of a MDD? 5) is Buda capped on sales tax? 6) what does Council member Fletcher want to discuss about MDD's? 7) are the EDC's bond covenants transferable to a MDD? 8) can a MDD take the available sales tax in the ETJ? 9) when annexation in the ETJ occurs, does ½ cent go to the City or does the MDD keep it? 10) how old is this law?

Executive Session

The Board went into Executive Session from 6:36p.m. – 7:00p.m.

Hiring of Search Firm

Ms. Chloe Johnson, President of Johnson & Associates, an executive search firm, presented a hand out and gave a brief presentation about Johnson & Associates and the executive recruitment process. She stated Johnson & Associates fee would be \$15,000 plus candidate development expenses not to exceed \$10,000. The Board will meet Monday, July 16, 2012 to detail the executive director position prior to Ms. Johnson returning to meet with the Board at the August 6, 2012 Board meeting.

RESOLVED, that the Board hire Johnson & Associates for an executive search to fill the position of EDC Executive Director. Motion by Director Mauzy, seconded by Director Sosa. Motion passes 5-0. Director Williams was not present when the vote was taken.

Taste of Buda Event Update

Director Tenorio updated the Board on a recent committee meeting regarding a Taste of Buda event. Attendees included Alisha Burrow, Lisa Saucedo, Rachel Najera, Sandra Tenorio and Janet Shull. The committee discussed vendors, seating, tents, linens, menus, wine glasses, logo's, decorations, sponsorships and ticket prices. The committee asked Ms. Burrow and Ms. Shull to provide an estimated budget at the next meeting being held on July 20th at 10:00a.m.

Buda Fine Arts Festival Update

Director Chilcote asked Executive Assistant Shull to give an update on the Buda Fine Arts Festival. Ms. Shull stated that Joellen Simmons, Chairperson for the Fine Arts committee was unavailable but she had emailed an update, which was included in the board members packets. Director Chilcote stated she would like to have more recognition for the EDC's annual contribution. She stated that according to Ms. Simmons' email, Buda EDC would be recognized on multiple advertisements.

Commercial Lease

RESOLVED, that the Board renew the commercial lease for the Buda EDC office at 203 Railroad St. Motion by Director Najera, seconded by Director Mauzy. Motion passes 6-0.

Greater San Marcos Partnership Board Appointment

Director Chilcote updated the Board regarding Director Saucedá's resignation from the appointment due to other commitments. Director Chilcote offered to attend the meetings until an executive director is hired.

RESOLVED, that the Board appoint Director Chilcote to serve on the Greater San Marcos Partnership Board. Motion by Director Tenorio, seconded by Director Najera. Motion passes 6-0.

Associate Member to CAPCOG's General Assembly

RESOLVED, that the Board appoint Director Mauzy to serve on the CAPCOG's General Assembly. Motion by Director Najera, seconded by Director Tenorio. Motion passes 6-0.

Buda EDC 2012-2013 Budget Process

Director Tenorio suggested forming a committee to perform the budget process. The Board agreed Director Saucedá, would be a good idea due to her banking experience.

RESOLVED, that the Board appoint Director Saucedá and Director Tenorio to serve on the budget committee. Motion by Director Najera, seconded by Director Williams. Motion passes 6-0.

Buda Improvement Grant – Memory Lane Antiques

RESOLVED, that the Board approve a Buda Improvement Grant for Memory Lane Antiques in the amount of \$2,000 subject to the fire inspection report being in order. Motion by Director Mauzy, seconded by Director Tenorio. Motion passes 6-0.

Minutes

RESOLVED, that the Board approve the minutes from the June 18, 2012 special called meeting. Motion by Director Najera, seconded by Director Tenorio. Motion passes 5-0. Director Mauzy abstained.

Treasurer's Report

RESOLVED, that the Board approve the Treasurer's Report showing total current assets of \$1,733,785.41 as of June 30, 2012. Motion by Director Najera, seconded by Director Tenorio. Motion passes 6-0.

Executive Director's Contract

RESOLVED, that the Board authorize the EDC attorney to offer Mr. Ketteman's attorney 30 days payment for his 30 day notice and in exchange release him from his contract immediately. Motion by Director Tenorio, seconded by Director Mauzy. Motion passes 4-2. Director's Chilcote and Sosa voted no.

Executive Session

The Board went into Executive Session from 8:18p.m. – 8:38p.m.

City Update

Director Williams updated the Board on a Seniors Town Hall meeting being held at City Hall on July 19, 2012 at 1:00p.m.

Future Agenda Items

No items requested.

There being no further business to come before the Board of Directors, the meeting was duly adjourned.

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Dated: July 23, 2012

Lisa Saucedo, Secretary

APPROVED:

Cathy Chilcote

Cathy Chilcote, President

Approval of Minutes

The foregoing minutes are approved as the acts of the Directors of the Corporation.

Cathy Chilcote

Cathy Chilcote, Director

Antonio Sosa

Antonio Sosa, Director

Renee Mauzy

Renee Mauzy, Director

Sandra Tenorio

Sandra Tenorio, Director

Rachel Najera, Director

Kenneth Williams

Kenneth Williams, Director

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Lisa Saucedo, Director