

**WHITE OAK ECONOMIC DEVELOPMENT
CORPORATION REGULAR BOARD MINUTES
WHITE OAK CITY HALL
JUNE 23, 2015
6:00 P.M.**

MEMBERS PRESENT : President Thomas Cash, James Crump, Curtis Smith, Mike Gilbert,
Barbara Ray

MEMBERS ABSENT : Greg Hulett, Ken Cunningham

STAFF PRESENT : Charlie Smith, Sherry Roberts, Maureen Carrigan

GUESTS PRESENT : Karen Jacks, Darin Beakley,

CALL TO ORDER

President Cash called the meeting to order at 6:01 p.m.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered routine and will be enacted in one motion. Should the President, a Board member, or a citizen desire discussion of any item that item will be removed from the Consent Agenda and will be considered separately.

- a) Approve Minutes from the March 24, 2015 meeting.
- b) Accept EDC Monthly Financial Report for Periods Ending March 31, 2015 through May 31, 2015.

Motion to approve made by Vice-President Smith, seconded by Board Treasurer Gilbert.

PRESENTATIONS

- a) Karen A. Jacks & Associates regarding the WOEDC Audited Financial Statements for fiscal year 2014

Karen Jacks presented the Board with the fiscal year 2013/2014 audited financial statements and explained any required adjustments. The numbers look quite different this fiscal year because of the transaction, which took on the new debt for the baseball field improvements along with the interlocal agreements from the city and school district. She was able to give WOEDC a clean opinion.

Included is a required management letter on prior year conditions. Ms. Jacks explained that expenditures exceeded appropriations similar to previous years. She encouraged the Board to look at the budget comparisons. Performance agreements in the past have not been monitored timely or properly, so those agreements were out of compliance. Staff was unaware until the auditors began to ask questions. There were no agreements out of compliance for this fiscal year. The auditors recommended staff increase the level of documentation on performance agreements that include a provision of a certain employment level.

- b) Floor Design Center was tabled because there was not yet an agreement in place.
- c) Sat-Lite Technologies

Darin Beakley gave a PowerPoint presentation to the Board about their company. The company makes portable satellite communication antennas. They did their first antenna in 2007 for CSPAN. They were previously a part of the professional management team for Vertex before they created their own company. Sat-Lite employs about 15 people and is currently in a 5,000 sq. ft. building on Fisher Road. They are out of space for parking and storage. They are highly interested in a lot in the Willow Lake Business Park and to construct a 10,000 sq. ft. building, which can be added onto later. They currently outsource the fabrication of their product and this move will allow the employees to do the work in-house rather than outsource it.

Mr. Beakley informed the Board of his plan to move the manufacturing part of the business first then follow up with the move of office personnel. There was discussion regarding the powder coating of their products. Mr. Beakley explained that this particular location was advantageous because of their vendors.

Vice-President Smith questioned if their building was 5,000 sq. ft. but they use the 10,000 sq. ft. behind them. Mr. Beakley answered no; the owner just signed a long-term lease for the back area. City Coordinator Smith stated how he has yet to get to park in a parking space at their office. The employees have to move inventory out into the driveway every morning just so they can work.

Board Treasurer Gilbert inquired about the 15 employees that would transfer to the new location. Mr. Beakley stated there would be 15 employees to transfer and there would be new employees needed if they bring their outsourcing work in-house. More discussion followed about the space needed and whether the company needed one or two lots in the Willow Lake Business Park. Mr. Beakley explained the importance of the need for southern exposure required to test the antennas.

City Coordinator Smith stated he would like Darin to speak about their growth and their products. Mr. Beakley stated how the company started selling products at the end of 2007 and they only had two products. He discussed his attendance at tradeshow and how the company has developed over the years. Sat-Lite currently sells 18-20 high-dollar products. The least expensive product they sell is around \$8,000 and the most expensive is around \$100,000. In 2009 through 2010, the industry slowed down but they kept working on products. Last year they started doubling their sales. The company is no longer in startup mode and has a good reputation. Mr. Beakley informed the Board that Sat-Lite is ready to take the next step.

Adjourned to close session at 6:38 p.m.

EXECUTIVE SESSION

- a) Deliberations regarding real property pursuant to Chapter 551.072 of the Texas Government Code for discussion regarding the sale, purchase, and lease of real property.
- b) Deliberations regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code for discussion of negotiations, activity, prospects, leads, and other economic development topics for the purpose of discussing economic development.

Discussions regarding negotiations with the following prospects:

1. Smallwood Management Company, LLC.
2. Floor Design Center
3. Sat-Lite Technologies

RECONVENE TO OPEN SESSION and take any action necessary regarding items discussed under Agenda Item 4.

Reconvened into open session at 6:52.

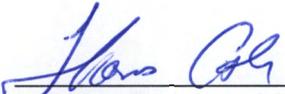
1. Smallwood Management Company – Board Treasurer made the motion to accept the termination agreement as presented, seconded by Board member Crump. Carried unanimously.
2. Floor Design Center issue was tabled.
3. Sat-Lite – WOEDC Vice-President Smith made the motion to deed the property Lot #8 of the Willow Lake Business Park to Sat-Lite with the stipulation that within one year after the contract, there must be a building up and erected, seconded by Board member Crump. Carried unanimously.

STAFF REPORTS & UPDATES

- a) Discussion regarding Economic Development Institute training.
City Coordinator Smith wanted the Board's informal opinion of him attending this training. The program consists of 10 classes with the majority of the training held online. The cost of each class is \$595. The Board agreed that there is training funds available, therefore their approval was not needed; however, City Coordinator Smith explained that he wanted to keep the Board informed of his activities.
- b) Update on recent property discussions
He stated that he is working on some other businesses. Louisiana Valve in the Cherokee Trace Business Park has requested a sign on the business park sign at the highway and staff was not sure who pays for this. The Board informed him that WOEDC pays for this because it is WOEDC's property.

ADJOURNMENT

Board Treasurer Gilbert made the motion to adjourn at 7:13 p.m., seconded by Board Member Crump. Carried unanimously.



Thomas Cash, President

ATTEST:



Dr. Barbara Ray
Board Secretary