

**WHITE OAK ECONOMIC DEVELOPMENT
CORPORATION REGULAR BOARD MINUTES
WHITE OAK CITY HALL
JULY 19, 2016
6:00 P.M.**

MEMBERS PRESENT : President Thomas Cash, Mike Gilbert, Greg Hulett, Barbara Ray, Gary Shaver,
Curtis Smith, James Crump

STAFF PRESENT : Charlie Smith, Sherry Roberts, Maureen Carrigan

CALL TO ORDER

President Cash called the meeting to order at 6:00 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 June 16, 2016 meeting.
- b. Accept EDC Monthly Financial Reports for June 2016.
- c. Consider and/or approve Quarterly Investment Report ending June 30, 2016.

Motion to approve made by Board Treasurer Gilbert, seconded by Board Member Curtis. Carried 6-0-1 with Secretary Ray abstaining.

PRESENTATIONS

- a. Karen A. Jacks & Associates regarding the WOEDCO Audited Financial Statements for fiscal year 2015

Ms. Jacks presented a clean audit to the WOEDCO Board of Directors. She informed the Board that the audit went well, without difficulty, and nothing unusual was found. The only concern from the auditors was the lack of monitoring on performance agreements and incentive contracts. The monitoring has not been very systematic. Over the years, the auditors have encouraged the Board to develop a method of charting the performance indicators and timelines, and having an official process for following up and making sure the businesses are performing according to their contracts. This recommendation was included in the FY 2013 audit and there had not been changes in FY 2014 nor in FY 2015. In the fall of 2015, staff did begin to develop a system.

Board Member Hulett questioned Ms. Jacks if this was in regards to their performance across the board, not their ability to repay and paying on time, but the actual following of the agreement according to job creation, etc. She answered yes, especially on the grant incentives versus loans. City Secretary Sherry Roberts explained that she has created a spreadsheet to audit each company's incentive requirements on a quarterly basis and offered to bring audit results to the Board at their next meeting. President Cash agreed and discussion was held about the failing economy and adjustments are allowed for those companies that are impacted.

CITIZEN COMMENTS

Craig Ware from Ware Electrical addressed the Board regarding his Application for Assistance. He informed the Board that he has approached WOEDCO three times in the 14 years he has been in business. In April and June 2016, he requested assistance for the purchase of a service truck to help his company grow. He appreciates the \$10,000 grant for the purchase of tools, but he wanted to approach the Board again about a service truck. He explained his trucks *are* his equipment and compared his business to other local businesses that have received incentives. His service is different because his customers do not come to him, his employees have to go to the customers to provide service. This is the way he creates jobs. He explained that after reviewing previous minutes, not all incentives given created jobs. He asked the Board to reconsider his request for a service truck and subtract

the \$10,000 previously offered. There is only so much he can do in his shop because everything he does is at his customers' locations.

City Coordinator Smith asked Mr. Ware how long he keeps his vehicles. Mr. Ware answered that the oldest truck in his fleet is a 2008, which he bought used in 2011. His annual average mileage per truck is approximately 9,000 miles. He keeps his trucks anywhere from 15-20 years and is able to do this with a good maintenance schedule.

DISCUSSION REGARDING INCENTIVE GUIDELINES

City Coordinator Smith explained that at the last meeting, it was suggested the Board establish incentive guidelines. Board member and WOEDCO attorney Gary Shaver offered ideas. These guidelines will allow City Coordinator Smith the ability to inform an applicant if they are eligible for incentives or not.

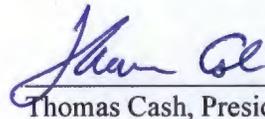
Board member Hulett added that in his opinion, WOEDCO needs some type of calculation that is total ad valorem value on the tax roll compared to the incentive request. Mr. Shaver stated this is a good idea, but it is unknown what the appraisal district is going to do in regards to property value. Another consideration is if the business will generate sales tax revenue. Ultimately, the idea is whether there will be a benefit to the community because it is generating tax dollars. One way is to create jobs, make an investment in the community by building or buying something, but ultimately is the business spending money that will generate revenue for the school district and the city. Board member Hulett added that this is one of the considerations when the calculation sheet is finalized, because even though a business may not have a lot of ad valorem value to be added on the tax roll, but generates sales tax, this will offset that and would still qualify. Board member Shaver stated that it sounds like there is a multiplier needed. Discussion was held regarding the content on the current Application for Assistance. Board member Hulett opined that the Board needs to determine the threshold of payback for incentives. There needs to be careful consideration given to the state law in regards to creating jobs. More discussion was held regarding policies and suggestions about incentive requirements.

STAFF REPORTS & UPDATES

City Coordinator Smith informed the Board that he has a meeting later in the week with a company from Longview wishing to relocate to White Oak. He informed the Board about a potential coffee shop chain for White Oak, since Starbucks has informed staff that the traffic count on Hwy 80 is too low for a franchise here.

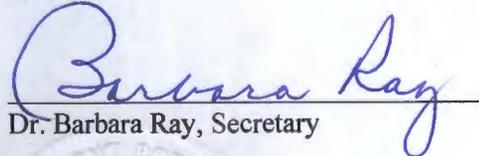
ADJOURNMENT

Motion to adjourn at 6:42 p.m. made by Board Treasurer Gilbert, seconded by Board member Crump. Carried unanimously.



Thomas Cash, President

ATTEST:



Dr. Barbara Ray, Secretary