

**WHITE OAK ECONOMIC DEVELOPMENT
CORPORATION REGULAR BOARD MINUTES
WHITE OAK CITY HALL
AUGUST 23, 2016
6:00 P.M.**

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

MEMBERS ABSENT : Gary Shaver

STAFF PRESENT : Charlie Smith, Sherry Roberts, Maureen Carrigan

CALL TO ORDER

President Cash called the meeting to order at 6:05 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 July 19, 2016 meeting.
- b. Accept EDC Monthly Financial Reports for July 2016.

Treasurer Gilbert made the motion, seconded by Board member Hulett. Carried unanimously.

PRESENTATIONS

- a. Tony Nations-Tony's Floor Covering

Mr. Nations informed the Board that he has owned Tony's Floor Covering in White Oak for around 16 years. Since then he has purchased Longview Carpet on Gilmer Road and Factory Direct in front of Academy. He would like to bring a similar operation to White Oak. He stated he is interested in the Family Dollar building to lease. He plans to put in the flooring store with the sample department and inventory like the outlet store. He believes the sales tax revenue will be higher with the cash and carry. A lot of what they do in White Oak is labor, which is not taxable. He has talked to Orgill Brothers & Company about hardware; however, it is quite expensive to get into it right away. He would like to carry the basic lumbers, molding, light fixtures, and ceiling fans for now. Debbie, who has worked at his local store for more than a decade, her daughter, and son-in-law will help him run the new store. It is uncertain what the store will do financially, but he has high hopes and they are known to hustle. He stated they put in about 60 hours a week.

Board member Hulett asked Mr. Nations about the value of inventory within the first 12 months. Mr. Nations answered around \$200,000 to 250,000; he has \$450,000 where he is right now. He stated their goal is to do three times that amount. Board member Hulett asked Mr. Nations about the hardware investment. He answered that it takes a minimum of \$250,000 just to get started. White Oak is a bedroom community and hardware in White Oak scares him because a lot of citizens do not work in town. He is thinking about including some basic hardware and plumbing inventory.

City Coordinator Charlie Smith asked Mr. Nations the amount of sales he does at the White Oak store on an annual basis. He answered that it varies from \$700,000 to \$800,000, but it may only do \$400,000 this year. He needs out of the current building, which is only around 1,200-1,500 square feet.

- b. John Marshall from Golden Shovel regarding Web Hosting

John Marshall gave the Board an online web presentation from Golden Shovel web hosting. The company is an economic development focused web hosting firm based out of Minnesota with staff across the entire United States.

Discussion was held regarding the length of the contract term. Board member Hulett stated he was not opposed to trying it, but did not want to get locked into a two to three-year contract.

CONSIDER AND/OR APPROVE Application for Assistance by the City of White Oak for the Community Library.

City Coordinator Smith talked to Board member and WOEDCO attorney Gary Shaver regarding the legality of funding \$30,000 for the library. The Texas Government Code allows the WOEDCO to do this. Board member Hulett informed members that the City has historically given the library \$30,000, but the City did not have the money in the budget this year to fund it. Data from the library shows the library program is a good thing with almost 100 kids involved with the summer reading program. A lot of people are using the library.

Treasure Gilbert discussed the ways the money benefits the school. Board member Hulett sent a letter to Gregg County Judge Stoudt and all commissioners. Commissioner Gary Boyd and Judge Stoudt will help as much as they can, but will not be able to fund the normal \$15,000. The County believes they will be able to fund between \$10,000 to \$15,000. Secretary Ray stated that without the money, the library will not be able to operate as it is now. If the City was to fund this program, the money would have to come from reserves.

Vice-President Curtis Smith made the motion to approve, seconded by Secretary Ray. Carried unanimously.

DISCUSSION AND/OR ACTION regarding audits of current performance agreements and incentive contracts.

Board member Hulett explained that because of the economy, there are companies that are out of compliance. He asked what they needed to do as a board, to allow them to be out of compliance while still following the law. City Coordinator Smith reminded them that during the last discussion, each performance agreement would be addressed individually and adjust those to make them fit now. There was discussion regarding how often staff should collect compliance data. Board member Hulett opined that even though some companies are out of compliance, and he understands the Board needs to follow the law, but cautioned that the Board should not lose sight on what it is trying to achieve. It was suggested to adjust the contract for those that are out of compliance at the end of their contract so they are in compliance at closing. Board member Hulett stated he would like to know what the agreement requirements really are and for the agreements to state when staff is to collect compliance data from the companies. He suggested that any contracts that are out of compliance to be adjusted at that time.

WORKSHOP regarding incentive guidelines and Application for Assistance.

Discussion was held regarding what should be included in WOEDCO's Application for Assistance and minimum requirements required.

EXECUTIVE SESSION – The White Oak Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

Section 551.087 – Deliberation regarding Economic Development Negotiations:
Discussion regarding negotiations with the following: Tony Nations – Tony’s
Floor Covering

The Board went into closed session at 7:15 p.m.

RECONVENE TO OPEN SESSION – Consideration, discussion, and possible action on:

Section 551.087 – Deliberation regarding Economic Development Negotiations:
Discussion regarding negotiations with the following: Tony Nations – Tony’s
Floor Covering

The Board reconvened into open session at 7:20 p.m.

Board member Crump made a motion for a \$50,000 grant and a \$50,000 no-interest loan for five years.
Carried unanimously.

CONSIDER AND/OR APPROVE budget amendment for fiscal year 2015/2016.

Vice-President Curtis Smith made a motion to approve, seconded by Board member Hulett. Carried
unanimously.

CONSIDER, DISCUSS, AND/OR APPROVE Fiscal Year 2016/2017 budget

Treasurer Gilbert made the motion to approve, seconded by Board member Crump. Carried unanimously.

STAFF REPORTS & UPDATES

City Coordinator Charlie Smith informed the Board that he spoke to a potential plumbing company
adamantly wanting to build in White Oak. He also stated that he just talked to them today about leasing
something, but they are not interested in leasing.

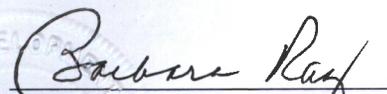
ADJOURNMENT

Treasurer Gilbert made the motion to adjourn at 7:31 p.m., seconded by Board member Crump. Carried
unanimously.



Thomas Cash, President

ATTEST:



Dr. Barbara Ray, Secretary