

**WHITE OAK ECONOMIC DEVELOPMENT  
CORPORATION REGULAR BOARD MINUTES  
WHITE OAK CITY HALL .  
NOVEMBER 15, 2016  
6:00 P.M.**

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

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 August 23, 2016 meeting.
- b. Accept EDC Monthly Financial Reports for August through October 2016.
- c. Consider and/or approve audit engagement letter from Karen A. Jacks & Associates, P.C. for fiscal year ending September 30, 2016.
- d. Consider and/or approve Quarterly Investment Reports ending September 30, 2016.

\*Skipped to the presentation by LaDonna Castiglione

Motion to approve made by Board Treasurer Gilbert, seconded by Board member Hulett. Carried unanimously.

PRESENTATIONS

- a. Scooter Goll – White Oak Leasing, LLC.  
Mr. Goll was not in attendance.
- b. LaDonna Castiglione – Don Giovanni's  
Ms. Castiglione explained Don Giovanni's has been in business for 16 years. Her husband owned it for 10 years before other family members took over. Her and her husband now have the business and would like to rebuild their customer base. However, new appliances are needed and they would like to double the seating space. She explained their plans to renovate a back room to add a safe place for after school kids that would include an arcade, televisions, and Wi-Fi. Their intentions is to keep the food the same while making their restaurant family-friendly. There are also plans to add a buffet with good quality food to help get the lunch crowd in and out faster.

President Cash inquired about the restaurant's lease. Ms. Castiglione answered the restaurant has a five-year lease agreement and the owner had given permission for the renovations.

Ms. Castiglione stated there are appliances that need replacing and a security system for the back room, add more employees and expand the restaurant's advertising.

- c. Patrick Hughes – Pinnacle Coatings Group  
Mr. Hughes was not in attendance; however, Board member Hulett informed the Board about the company. Pinnacle would like to have a storefront for paint sales and the back part of the building

will be for commercial customers. The company would like a home base in White Oak. Pinnacle will bring approximately \$100,000 in new equipment and make improvements to the building.

President Cash asked Executive Director Charlie Smith if Pinnacle wants a grant or a loan incentive. Executive Director Smith answered that a grant of about \$100,000 for the equipment would be sufficient. President Cash asked Board member Hulett if he was building Pinnacle a building. Board member Hulett answered the intention is for Pinnacle to occupy the old Clean Cut building on Highway 80. He added that Pinnacle will have over \$350,000 in inventory and four pickups. Executive Director Smith added that there is an expectation of over \$1,000,000 in sales. Board member Shaver stated he did not know how much of that \$1,000,000 will be taxable sales, to which Board member Hulett added that not all of that will be retail sales. Board member Shaver stated that Pinnacle probably wants in between Energy Weldfab and Mid-South Equipment, which are two of the company's large customers.

President Cash asked if the business is directed toward commercial customers. Board members Shaver and Hulett answered that Pinnacle seeks out industrial commercial sales and contractors. Pinnacle will not be selling to individuals out the front door.

President Cash questioned if Pinnacle was asking for at least \$100,000. Executive Director Smith answered that this is what he understood; however, the applicant did not say that directly. He was basing the amount on the application. Board member Hulett added that for the value Pinnacle is bringing, this is kind of in line with what the Board has been doing. Pinnacle has had customers in this area forever.

d. Charlie Smith – City of White Oak

Executive Director Smith explained that Sat-Lite is going in at the end of Willow Lake Business Park, and eventually the company will want to expand that will include an oven to do the baking for the satellites. Gas was not available in the business park. He contacted Centerpoint about placing a gas line through the business park, which has been completed. The project was over \$11,000, but increases the opportunity for incoming businesses.

President Cash adjourned open session at 6:13 p.m.

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:

- a. Scooter Goll – White Oak Leasing, LLC.
- b. LaDonna Castiglione – Don Giovanni's
- c. Patrick Hughes – Pinnacle Coatings Group
- d. Charlie Smith – City of White Oak

The Board entered executive session at 6:13 p.m. and adjourned at 6:25 p.m.  
President Cash called open session into order at 6:25 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:

- a. Scooter Goll – White Oak Leasing, LLC.  
President Cash explained that when the Board first offered Mr. Goll the grant, he requested more money. Executive Director Smith has sent Mr. Goll additional paperwork, but it has not been returned. There will be no action taken.
- b. LaDonna Castiglione – Don Giovanni’s  
There will be no action taken.
- c. Patrick Hughes – Pinnacle Coatings Group  
Treasurer Gilbert made the motion to offer Pinnacle a \$50,000 grant, seconded by Vice-President Curtis Smith. Carried 6-0-1 with Board member Hulett abstaining due to a conflict of interest.
- d. Charlie Smith – City of White Oak  
Board member Shaver made the motion to approve the grant of \$11,470, seconded by Treasurer Gilbert.

DISCUSSION AND/OR CONSIDER REGARDING WEB HOSTING FOR WOEDCO

Assistant City Manager Sherry Roberts and Executive Director Smith agreed this system is not for the White Oak EDC right now and wanted to inform the Board.

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

Executive Director Smith asked just how far in-depth the Board wanted staff to go with auditing performance agreements for compliance. Board member Shaver stated that all businesses needed to comply with their individual agreements, even if it involves contract renegotiation. Assistant City Manager Roberts informed the Board that she did not seek the Texas Workforce Commission (TWC) reports from the businesses for the quarter ending September 30, 2016 because of the previous discussion about checking for employment levels only at the end of the contract. Board member Hulett questioned how the agreements are written. Board member Shaver answered that the agreements are written to require annual reports so staff and the Board knows how the business is doing. Assistant City Manager Roberts informed the Board that the auditors want to see that compliance checks are performed throughout the year. Board member Shaver stated that typically the companies are only required to provide copies of their quarterly TWC reports. Assistant City Manager questioned if she should get the TWC reports only once a year or every quarter. Board member Shaver suggested to get the reports quarterly. He added that Longview went for a long period of time when businesses could not comply with their contracts. Rather than renegotiate deals, their board would give the businesses a moratorium by extending the contract out.

CONSIDER AND/OR APPROVE the purchase of tablets for paperless agenda packets.

President Cash explained that the city council is now using Samsung tablets instead of paper binders. Since three of the board members are also city council members, only four tablets would need to be purchased. Treasurer Gilbert stated he will use his school equipment to access board packets; therefore, only three Samsung tablets would need to be purchased.

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

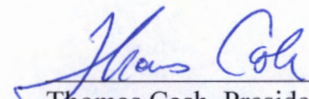
STAFF REPORTS & UPDATES

- a. Christmas Business Luncheon  
The Board agreed to a date of December 8, 2016 from 11:00 a.m. to 1:00 p.m. for the business appreciation luncheon.

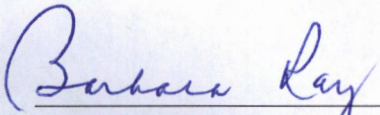
Executive Director Charlie Smith informed the Board that Haute Goat Creamer had over 250 people attend their grand opening.

ADJOURNMENT

Motion to approve made by Treasurer Gilbert, seconded by Board member Crump at 6:50 p.m. Carried unanimously.

  
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Thomas Cash, President

ATTEST:

  
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Dr. Barbara Ray, Secretary