

MINUTES
CUERO DEVELOPMENT CORPORATION
REGULAR MEETING
Monday, September 18, 2017 5:30 P.M.

The Cuero Development Corporation Board of Directors met Monday, September 18, 2017, at 212 E. Main Street, Cuero, Texas.

PRESENT: Board Members: Charles Papacek, Dennis Jemelka, Mayor Sara Post Meyer, Richard Weber, Randy Jochim, David Scott, Chris Crain, Executive Director, Patrick J. Kennedy, and CDC Administrative Assistant, Samantha Solis

GUESTS: Barry Breaux, Beverly Breaux, and Donald Jirkovsky

I. CALL TO ORDER

President Charles Papacek called the meeting to order at 5:30 P.M.

II. CITIZENS INPUT

None

III. MONTHLY FINANCIAL REPORTS

APPROVAL OF AUGUST FINANCIAL REPORT

Mr. David Scott gave the financial report for the period ending August 31, 2017. Mr. Scott mentioned that he plans to email the Fiscal Department for additional end of the year information for the CDC financials.

Dennis Jemelka questioned if the balance shown for Bahnhof Café was the actual loan balance.

Mr. Kennedy stated that the balance is the actual balance and the loan should be paid off sometime in 2018.

Mayor Sara Post Meyer questioned if Mr. Scott took care of the value of the land with auditor Steve VanManen.

Mr. Scott noted that he would try to have all of the up to date information for the end of the fiscal year financials.

MOTION MADE BY DENNIS JEMELKA, SECONDED BY RANDY JOCHIM, TO ACCEPT THE AUGUST FINANCIAL REPORT AS PRESENTED. AYES: 7 NAYES: 0 MOTION CARRIED.

IV. BUSINESS

CONSIDER AND ACT UPON AN APPLICATION FOR BUSINESS RETENTION AND EXPANSION PROGRAM FOR LA FEMME BOUTIQUE

Mr. Patrick J. Kennedy presented this item to the Board noting that the application was complete and all bids have been received. Mr. Kennedy explained that the pictures included in the package show the need for the repairs and improvements.

MOTION MADE BY RICHARD WEBER, SECONDED BY DAVID SCOTT, TO APPROVE THE BUSINESS RETENTION AND EXPANSION PROGRAM GRANT FOR LA FEMME BOUTIQUE IN THE AMOUNT OF \$10,000 FOR THE REPLACEMENT OF THE ROOF AND INTERIOR REPAIRS AT 201 N. ESPLANADE. AYES: 7 NAYES: 0 MOTION CARRIED.

CONSIDER AND ACT UPON THE CUERO DEVELOPMENT CORPORATION INVESTMENT POLICY

Mr. Papacek noted that Chris Crain and David Scott have worked diligently on preparing the Investment Policy for presentation to the CDC Board.

Mr. Kennedy presented this item to the Board noting that the Cuero Development Corporation Investment Policy has evolved from conversations with CDC Auditor, Steven Van Manen and the compliance of Section 330.15 of the FDIC Regulations.

David Scott mentioned that according to the Texas Public Investment Act, the CDC must first adopt an investment policy for the securing of their investments.

Mr. Crain noted that the Investment Committee kept the Investment Policy simple, but within compliance of the Investment Act requirements. According to the Investment Act, organizations are restricted as to where they can invest their money, there are also only allowed to invest in very short term commitments.

Mr. Crain mentioned that there are additional steps of action that must be taken with the Investment Policy, those include: the banks and the investment pool must be provided copies of the Investment Policy and must submit acknowledgement of receiving said policies. The entities must then submit statements stating that they have procedures set in place to ensure that the CDC monies are managed according to the CDC Investment Policy. The final step according to the Investment Act is that there must be a separate written Investment Strategy that applies to money and banks and a separate strategy that applies to TexPool.

Mayor Meyer questioned on if the nominated persons on the Investment Committee were serving specific terms. Mr. Crain mentioned that they don't have specific term dates, but the Committee was able to nominate new persons at any time.

MOTION MADE BY DAVID SCOTT, SECONDED BY RICHARD WEBER, TO APPROVE THE CUERO DEVELOPMENT CORPORATION INVESTMENT POLICY AS PRESENTED BY THE COMMITTEE AND TO ADOPT THE CORRESPONDING RESOLUTION 2017-01. AYES: 7 NAYES: 0 MOTION CARRIED.

CONSIDER AND ACT UPON THE DEPOSIT OF EXISTING AND FUTURE CDC FUNDS IN REGARDS TO SECTION 330.15 OF THE FDIC REGULATIONS

Per discussions of having to be in compliance with Section 330.15 of the FDIC regulations, the CDC must have less than \$250,000 in any one institution. The ultimate goal of the CDC is to have less than \$250,000 in each bank, so the additional earnings won't push the accounts to be over the maximum limits.

There were discussions on the CDC keeping their investments in the local community. Although the CDC would not be able to keep all investments local, it was decided that they work with Cuero National Bank, 1899 N. Esplanade; Prosperity Bank, 105 W. Church; Texas Dow Employees Credit Union (TDECU), 1001 E. Broadway; and Wells Fargo Bank, 309 N. Esplanade.

Mr. Kennedy mentioned that after the CDC has compiled their paperwork to move to the additional local banks, the Investment Committee will meet to decide on a specific amount per bank to be in compliance with the regulations.

AUTHORIZE NAMES FOR SIGNATURE CARDS TO CUERO NATIONAL BANK, PROSPERITY BANK, TEXAS DOW EMPLOYEES CREDIT UNION (TDECU), AND WELLS FARGO BANK.

Per the previously approved Investment Policy and deposit of future CDC funds, the Board of Directors elected to have Chris Crain, Dennis Jemelka, Randy Jochim, Charles Papacek, and Richard Weber as the designated persons for all of the CDC signature cards.

Mr. Kennedy noted that this would be the first step of the additional accounts. The opening of a new account is different at each bank and each bank requires various forms of CDC documentation.

MOTION MADE BY RICHARD WEBER, SECONDED BY CHRIS CRAIN, TO AUTHORIZE CHRIS CRAIN, DENNIS JEMELKA, RANDY JOCHIM, CHARLES PAPACEK, AND RICHARD WEBER FOR SIGNATURE CARDS TO NEW ACCOUTS AT CUERO NATIONAL BANK, 1899 N. ESPLANADE; PROSPERITY BANK, 105 W. CHURCH; TEXAS DOW EMPLOYEES CREDIT UNION (TDECU), 1001 E. BROADWAY; AND WELLS FARGO BANK, 309 N. ESPLANADE. AYES: 7 NAYES: 0 MOTION CARRIED

CONSIDER AND ACT UPON A RESOLUTION FOR AUTHORIZING PARTICIPATION IN THE TEXPOOL INVESTMENT POOLS AND DESIGNATING AUTHORIZED REPRESENTATIVES FORM TO THE GOVERNING BODY FOR APPROVAL

Included in the Board of Directors packets was a one page FAQ sheet from TexPool. Mr. Kennedy mentioned that TexPool was one of the original options given by the auditors in order to be in compliance with Section 330.15 of the FDIC Regulations. As part of the requirements of joining TexPool, the CDC must first pass a Resolution and submit a designated authorized representative from the CDC Board or staff. It was recommended that four of the five authorized names that were presented for the various signature cards for the CDC bank account be used as signatories for the CDC TexPool account. Chris Crain will not be added to the Texpool accounts so Patrick J. Kennedy, Executive Director may be added, being that he is investment officer. Based upon the previously approved Cuero Development Corporation Investment Policy, Mr. Kennedy will be required to report on the status of the CDC investments.

Mr. David Scott questioned on if the CDC would be able to complete all required paperwork for the moving of investments prior to the start of the new fiscal year (October 1, 2017).

Mr. Kennedy mentioned that the ultimate goal of the CDC is to have all documentation in order prior to ending the fiscal year.

Mayor Sara Post Meyer questioned on the amount of money being moved into TexPool.

Mr. Kennedy mentioned that the suggestion of the CDC will be to transfer 1.6 million to TexPool.

Mr. Papacek suggested that when the CDC approves the Investment Strategy, that they also include a designated dollar amount per account within the strategy.

Mr. David Scott mentioned that the total sum of all accounts in one account holder's name cannot go over \$250,000.

Mayor Sara Post Meyer questioned on if the CDC had taken into consideration the fact that TrustTexas Bank has gone above and beyond in helping both the CDC and the City of Cuero with various activities.

Mr. Papacek mentioned that TrustTexas Bank is able to participate in the Certificate of Deposit Account Registry System (CDARS), where CDC deposits would be spread to other banks up to \$250,000 allowing all monies to be 100% insured, but that was not an option they are currently pursuing.

It was suggested that the CDC schedule a meeting at TrustTexas Bank to reconsider their option of moving the CDC investments to be covered according to FDIC regulations.

Mr. Crain noted that the CDC has already gone on record to express their interest in dividing their monies amongst the five banks and TexPool.

MOTION MADE BY, CHRIS CRAIN, SECONDED BY RICHARD WEBER, TO AUTHORIZE THAT THE CUERO DEVELOPMENT CORPORATION ENTER INTO A PARTICIPATION AGREEMENT TO ESTABLISH AN ACCOUNT IN ITS NAME IN TEXPOOL/TEXPOOL PRIME, FOR THE PURPOSE OF TRANSMITTING LOCAL FUNDS FOR INVESTMENT IN TEXPOOL/TEXPOOL PRIME. IT WAS ALSO RECOMMENDED THAT DENNIS JEMELKA, RANDY JOCHIM, PATRICK J. KENNEDY, CHARLES PAPACEK, AND RICHARD WEBER OF THE CUERO DEVELOPMENT CORPORATION ARE AUTHORIZED REPRESENTATIVES OF THE PARTICIPANT AND ARE EACH HEREBY AUTHORIZED TO TRANSMIT FUNDS FOR INVESTMENT IN TEXPOOL/TEXPOOL PRIME AND ARE EACH FURTHER AUTHORIZED TO WITHDRAW FUNDS FROM TIME TO TIME, TO ISSUE LETTERS OF INSTRUCTION, AND TO TAKE ALL OTHER ACTIONS DEEMED NECESSARY OR APPROPRIATE FOR THE INVESTMENT OF LOCAL FUNDS. AYES: 7 NAYES: 0 MOTION CARRIED

APPROVE EXTENSION OF EXISTING PROJECTS, IF NECESSARY

Mr. Kennedy suggested that since the end of the fiscal year is less than two weeks away, that the CDC Board authorize extensions until December 31st to Allied Feeds/Ful-O-Pep Feeds and Cuero Fair & Turkey Trot Association.

MOTION MADE BY RANDY JOCHIM, SECONDED BY MAYOR SARA POST MEYER, TO AUTHORIZE AN EXTENSION UNTIL DECEMBER 31, 2017 FOR ALLIED FEEDS/FUL-O-PEP FEEDS AND CUERO FAIR & TURKEY TROT. AYES: 6 NAYES: 0 DENNIS JEMELKA RECUSED HIMSELF FROM THE DISCUSSION AND ABSTAINED HIMSELF FROM VOTING MOTION CARRIED

V. CONSENT AGENDA

Included in the director's agenda packets for review were: Regular Meeting Minutes, Monday, August 21, 2017, December Events Committee Regular Meeting Minutes, Wednesday, August 16, 2017, and December Events Committee August Financial Report.

Mayor Sara Post Meyer made the following changes to the Regular Meeting Minutes of Monday, August 21st:

- On page 2, the spelling should read "exception" instead of "acception"
- On page 3, the spelling should read "suit" instead of "suite"
- On page 4, the minutes should read "The Miss Cuero Committee has expressed an interest"

MOTION MADE BY MAYOR SARA POST MEYER, SECONDED BY DENNIS JEMELKA, TO ACCEPT THE CONSENT AGENDA AS PRESENTED WITH THE EXCEPTION THAT THE THREE CHANGES BE INCORPORATED IN THE REGULAR MEETING MINUTES OF AUGUST 21, 2017. AYES: 7 NAYES: 0 MOTION CARRIED

VI. EXECUTIVE DIRECTOR REPORT

- 1) Sales Tax Comparisons – A copy of the sales tax revenue report was included in the Board package. It was reported that the sales tax remittance was down by only 7% for the year. The amounts included do

not include the remittance from the City of Cuero, but those numbers will be incorporated for the end of year financials.

- 2) Review Page 83 of the 2015-2018 Strategic Economic Development Plan – A copy of the 3rd quarter, 2017 was included in the agenda package. Mr. Kennedy mentioned that the end of September would complete the 3rd quarter. The final Work Items and Action Items will be reviewed at the October meeting.
- 3) Discuss upcoming Community Leaders' Meeting – The guest speaker for October 6th will be Robert Oliver, Chair – Chisholm Trail Heritage Museum to be held at the museum, the November 3rd guest speaker will be Dale Fowler, President – Victoria Economic Development Corporation to be held at the City of Cuero Council Chambers and the December 1st guest speaker will be Micah Dyer, Superintendent – Cuero Independent School District with a location to be determined at a later date.
- 4) Discuss upcoming conferences/meetings – Mr. Kennedy will attend the TEDC Annual Conference in Houston from October 18th – 20th, the National Development Council Academy in Washington DC from October 23rd – 25th, and the National Rural Economic Development Association in San Antonio from November 1st – 3rd.
- 5) December Events Committee – Mr. Kennedy reported that the DEC will have their monthly meeting on Wednesday, September 20, 2017. GVEC should award their Power Up grant recipients in the forthcoming weeks.
- 6) Current Projects – A copy of the current projects was included in the agenda package, there are a total of 22 projects that have been approved by the Board, 20 of which are complete and payment has been received. As a result of the meeting, one new project was approved for FY 2017-2018.

VII. ADJOURN

MOTION MADE BY DENNIS JEMELKA, SECONDED BY RICHARD WEBER, TO ADJOURN THE MEETING AT 6:26 P.M. AYES: 7 NAYES: 0 MOTION CARRIED


CHARLES PAPACEK
PRESIDENT

ATTEST:



DAVID SCOTT
SECRETARY/TREASURER