

MINUTES
CUERO DEVELOPMENT CORPORATION
SPECIAL MEETING
MONDAY, OCTOBER 2, 2017, 5:30 P.M.

The Cuero Development Corporation Board of Directors met Monday, October 2, 2017, at 212 E. Main Street, Cuero, Texas.

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

ABSENT: Dennis Jemelka

I. CALL TO ORDER

President Charles Papacek called the meeting to order at 5:30 p.m.

II. CONSENT AGENDA

APPROVE REGULAR MEETING MINUTES SEPTEMBER 18, 2017

Included in the director's agenda packets for review were the Regular Meeting Minutes, Monday, September 18, 2017.

Mayor Sara Post Meyer mentioned that on the fourth page of the minutes, it was noted that Dennis Jemelka recused himself from making a motion, but she suggested the minutes read that Dennis Jemelka recused himself from the discussion of Ful-O-Pep Feeds and abstained from voting.

Mr. Charles Papacek asked for clarification on whether the CDC Investment Committee met prior to the CDC meeting as stated in the minutes.

Mr. Kennedy mentioned that there are a series of steps that must be taken, prior to moving forward with the additional CDC bank accounts and TexPool, but he assured the Board that each required action will be taken and presented to the Board for approval possibly during the October 16th Board of Director's Meeting.

Mr. Kennedy also noted that CDC Auditor, Steve Van Manen stopped into the CDC office and Mr. Kennedy informed him of the letter from the FDIC to TrustTexas Bank. Mr. Van Manen noted that although the steps have not been complete for the FDIC process, he will note in the audit that all efforts are being made to complete the process as soon as possible.

Mayor Sara Post Meyer questioned on if the minutes needed to read that TrustTexas Bank would remain the "working bank" for the CDC. Mayor Meyer also questioned if the CDC Sales Tax and City of Cuero Electric checks would be deposited into the TrustTexas Bank accounts and Mr. Kennedy reported that they would be.

Mr. Kennedy mentioned that TrustTexas Bank will be the CDC operating bank, but that would be discussed later in the meeting.

Mr. Crain noted that the wording must be clarified by stating that TrustTexas Bank must be referred to as the operating/primary account, meaning that all CDC deposits and payments are made from this account.

MOTION MADE BY RICHARD WEBER, SECONDED BY RANDY JOCHIM, TO ACCEPT THE MINUTES FROM SEPTEMBER 18, 2017 WITH THE CORRECTED WORDING TO REFLECT THAT DENNIS JEMELKA RECUSED HIMSELF FROM THE DISCUSSION OF FUL-O-PEP FEEDS AND HE ABSTAINED FROM VOTING. AYES: 6 NAYES: 0 MOTION CARRIED

III. BUSINESS

CONSIDER AND ACT UPON THE CUERO DEVELOPMENT CORPORATION INVESTMENT STRATEGY FOR THE INVESTMENT POLICY

Mr. Kennedy noted that a copy of the Investment Strategy was included in the Board package with the wording draft, but the Investment Committee has had an opportunity to revise the Investment Strategy so a revised copy was presented at the meeting.

Richard Weber questioned that since the CDC addressed the local banks and TexPool, would the CDC need to address the banks and TexPool and the amount of investments in each entity.

Mr. Kennedy mentioned that the formal request of investments per entity would be addressed further in the meeting, so at the time no additional wording was needed. He noted that the written strategies would go into effect after being approved because they were not in place during the September meeting.

MOTION MADE BY DAVID SCOTT, SECONDED BY RICHARD WEBER, TO ADOPT THE CUERO DEVELOPMENT CORPORATION INVESTMENT STRATEGY AS PRESENTED. AYES: 6 NAYES: 0 MOTION CARRIED

CONSIDER AND ACT UPON THE ACCOUNT TYPE AND ACCOUNT AMOUNT FOR CUERO NATIONAL BANK, PROSPERITY BANK, TEXAS DOW EMPLOYEES CREDIT UNION (TDECU), AND WELLS FARGO BANK

Mr. Kennedy reported that per staff recommendation, they are requesting to opt for a one-year Certificate of Deposit (CD) in the amount of \$240,000 into Cuero National Bank, Prosperity Bank, Texas Dow Employees Credit Union (TDECU), and Wells Fargo Bank. Mr. Kennedy noted that none of the above banks are over a 2% interest rate; therefore the balances would remain under the required \$250,000.

Mr. Kennedy inquired about the outstanding loan with Bahnhof Café and was assured by TexPool that the \$160,000 would be able to have its own account. It was suggested that the payments still be made to TrustTexas Bank, but immediately moved to the new account at TexPool until the loan is paid in full in 2018.

It was recommended by staff that the CDC leave TrustTexas Bank as their operating account and to leave the December Events Committee account open as well.

Mr. David Scott recommended that the CDC inquire about setting up an ACH at each bank and TexPool so money can be automatically transferred free of charge instead of having to pay to wire money amongst the accounts.

Mayor Sara Post Meyer pointed out that TDECU only has a 13 month CD available. It was suggested that the stipulations should note that the CD may not exceed twenty-four (24) months.

MOTION MADE BY RICHARD WEBER, SECONDED BY RANDY JOCHIM, TO PURCHASE CERTIFICATES OF DEPOSIT IN THE AMOUNT OF \$240,000, NOT TO EXCEED TWENTY-FOUR (24) MONTHS TO CUERO NATIONAL BANK, PROSPERITY BANK, TEXAS DOW EMPLOYEES CREDIT UNION (TDECU), AND WELLS FARGO BANK. AYES: 6 NAYES: 0 MOTION CARRIED

IV. ADJOURN

MOTION MADE BY RICHARD WEBER, SECONDED BY CHRIS CRAIN, TO ADJOURN THE MEETING AT 6:02 P.M. AYES: 6 NAYES: 0 MOTION CARRIED



CHARLES PAPACEK
PRESIDENT

ATTEST:



DAVID A. SCOTT
SECRETARY/TREASURER