

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Monthly Meeting, September 19, 2016
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, September 19, 2016, at 6:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for the Regular Monthly Meeting.

Board members present were: Steve Mills, Kristi Koch, Mayor Ken Kesselus, Kevin Plunkett, Joe Beal, Drusilla Rogers, and Marvin Townsend (*ex officio*). Board member Cam Chavez was absent. Staff members present: Shawn Kirkpatrick, Angela Ryan, Jean Riemenschneider, Kathy Merrifield, and JC Brown, BEDC Attorney.

1. **CALL TO ORDER** – BEDC Board Chair Steve Mills called the Board Meeting to order at 6:02 p.m.
2. **PUBLIC COMMENT(S)** – Linda Curtis expressed her concerns about certain EDC Board members, the agenda item regarding EDC legal services, and an Attorney General’s opinion about City Councilmembers’ phone records. Kay McAnally asked the Board to provide microphones so that the audience can hear better. Deborah Johnson spoke about a request previously made for the EDC to fund small businesses going to a destination marketing class in the spring.

3. REGULAR BUSINESS & PRESENTATIONS

- 3.1. Recognition of outgoing BEDC Board member Gary Schiff with service award. Mr. Kirkpatrick and Mr. Mills thanked Mr. Schiff for his service and presented his award.
- 3.2. Approval of meeting minutes of the Regular Board Meeting of August 15, 2016. Ms. Koch made the motion to approve the minutes as submitted, Ms. Rogers seconded and the motion passed.
- 3.3. Consideration, discussion and possible action on acceptance of the BEDC’s financial summary report for period ending August 31, 2016. Mr. Kirkpatrick reviewed the August financials. Ms. Koch made the motion to accept the financial summary report as submitted, Mr. Beal seconded and the motion passed.
- 3.4. Consideration, discussion and possible action regarding the Bastrop EDC’s legal services, including but not limited to: (1) The continued retention or termination of the Law Offices of Jo-Christy Brown P.C. as the attorney for the corporation, (2) Issuance of a Request for Qualifications (RFQ) for legal services and establishing an *ad hoc* committee comprised of the executive committee and executive director to review the submittals and provide a recommendation to the corporation, and (3) Instruct the executive director to retain the necessary legal services on an interim basis should the engagement between the Bastrop EDC and Law Offices of Jo-Christy Brown P.C. terminate and until the corporation engages other legal services. Mr. Mills opened the discussion by describing how Ms. Brown has been a vital part of the EDC and an incredible resource in economic development. Mr. Kirkpatrick stated that from a staff perspective, it has been a long time since the Board has discussed legal services. Mr. Beal said he had asked for the item to be placed on the agenda because he feels it is appropriate and good business to have a discussion about EDC legal counsel at this time. Anne Beck said she had spoken with Mr. Kirkpatrick about attorney services the week before. She asked that the Board not further “destabilize” and stay with the status quo. Debbie Moore agreed with Ms. Beck and suggested waiting to issue an RFQ. Linda Curtis asked why the EDC was considering the issue. Kay McAnally asked the reason for the discussion. Carlos Liriano asked the Board to keep their focus on bringing jobs to Bastrop.

Ms. Koch made the motion to 1) terminate the services of the Law Offices of Jo-Christy Brown as attorney for the Corporation, 2) issue an RFQ for legal services and establish an *ad hoc*

committee, comprised of the Executive Committee and the Executive Director, to review the submittals and provide a recommendation to the Corporation, and 3) instruct Mr. Kirkpatrick to retain the necessary legal services on an interim basis because we are terminating Ms. Brown's services. Mr. Beal seconded. The motion passed with Ms. Rogers and Mr. Mills opposed. Ms. Brown left at this point in the meeting. At 6:45 p.m., Mr. Mills announced there would be a brief recess. The meeting reconvened at 6:50 p.m.

- 3.5. Consideration, discussion and possible action on a request to fund water and wastewater infrastructure for a proposed office project, at 2204 Highway 71 East, being developed by Gary Schiff, P.E. This item was pulled from the agenda by Mr. Mills. Mr. Schiff asked to present his proposal even though the item was being pulled. Mr. Mills denied his request and explained the BEDC needs time to evaluate the project. There was no other action required at this time.
- 3.6. Consideration, discussion and possible action updating the Board on the Bastrop Independent School District Bond and Tax Ratification Election, to be held on November 8, 2016, including a legal opinion on allowable potential EDC expenditures, related to Corporation's support of Bastrop's educational advancement for enhancement of economic development opportunities. Mr. Kirkpatrick explained the EDC was asked to contribute to and participate in the BISD bond issue. He said as a corporation, the EDC cannot donate funds, but could support it through educating the public on why education and workforce development is a critical issue for economic development. Mr. Mills suggested funding ads and editorials in support of the bond issue. Mr. Townsend agreed the EDC cannot financially contribute to the school system nor advocate for or against the bond. Ms. Brown had provided a memorandum to Mr. Mills which stated the legal scope of what an EDC can do in support of the issue. It would be viable for the EDC to use funds for promotional advertising for better schools, provided that the ad is done by the EDC. Conor McAnally said the EDC should not be trying to influence the outcome of an election. Ms. Koch made the motion to authorize the Executive Director in consultation with legal counsel to support education and workforce development through the legal means available to the EDC within the financial controls of the budget. Mayor Kesselus seconded and the motion passed, with Ms. Rogers opposed.
- 3.7. Consideration, discussion and possible action on input from the Board and public related to the *ad hoc* Bylaws Committee's proposed draft Ninth Amended Bylaws of the BEDC. The draft of the Ninth Amended Bylaws was included in the packet. Mr. Kirkpatrick explained that the *ad hoc* committee (made up of Mr. Mills, Ms. Koch, Ashley Mutschink, Sherry Schena, and Mr. Kirkpatrick) had to restate the Articles of Incorporation prior to amending and codifying the Bylaws. The draft is complete and is posted on the EDC website, and copies may be picked up at City Hall or the Chamber office. He said there will be a public input session on September 26th where the public can make comments and ask questions. Since the document has been completely re-sectioned and streamlined, there is not a redlined version. Mr. Kirkpatrick explained that policy decisions should be made by resolution instead of being included in the Bylaws, eliminating the need to amend the Bylaws every time there is a change in policy. He said the committee requested using outside legal counsel to advise on the amendments. Herb Goldsmith suggested having a public hearing on the final Bylaws prior to Board adoption.

4. UPDATE(S), REPORT(S), AND/OR ANNOUNCEMENT(S) – The BEDC and City of Bastrop provided written reports and were available to answer questions from the Board. (Includes items for update, discussion, and/or possible action by the Board of the BEDC)

- 4.1. BEDC Projects and/or Business Update – Mr. Kirkpatrick's reports were included in the packet.
- 4.2. Main Street Program Monthly Report – Ms. O'Brien's report was included in the packet.

5. BOARD INPUT ON FUTURE AGENDAS –

- 5.1. The following items have been requested for inclusion on future agendas:
 - (a) Alley D Parking/921 Main Street Parking (Trey Job)
 - (b) City of Bastrop water and wastewater planning (Joe Beal) – Mr. Kirkpatrick reported he had met with City Staff and at this time there are too many unknowns to give an update on what the City is planning to do.
 - (c) City of Bastrop potential future annexation planning (Mayor Kesselus) – Mayor Kesselus asked if the Board wanted to influence the City Council in terms of what they think is important regarding an annexation policy. He said he is looking for input from the Board. Mr. Kirkpatrick explained that water and wastewater decisions are critically important to the annexation discussions.
 - (d) Development issues associated with Bastrop’s Houston Toad habitat. Mr. Kirkpatrick said the EDC is not currently spending any resources on it and is still in the research phase.
 - (e) Approval of Ninth Amended Bylaws of the BEDC.

In reference to (b) and (c), Kelly Gilleland said the City Manager should be involved in any discussions about city business. Mr. Townsend said he had been fully advised. Ms. Gilleland asked how the EDC would be involved in involuntary annexation. Mr. Kirkpatrick explained the Mayor had asked for the EDC’s input. Ms. Gilleland said the procedure for hiring the attorney was included in the old Bylaws but wasn’t in the new version. Glenn Johnson said the citizens should be deciding, and the EDC Board should not lobby the school board or citizenry. Ms. McAnally asked the Mayor why annexation was being discussed by the BEDC when at a Council meeting the Mayor had said they wouldn’t discuss it until a permanent City Manager was hired. Conor McAnally said it is not the first time the Mayor has brought an item to the BEDC before taking it to the Council, and that it should stop.

- 5.2. Inviting input from the Board of Directors related (but not limited) to issues for possible inclusion on future agendas and/or concerning issues such as BEDC projects, property, economic development prospects, community events, and BEDC business or activities. There were no additions.

6. EXECUTIVE SESSION

- 6.1. At 7:51 p.m., Mr. Mills convened the BEDC Board of Directors into a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

- (1) **Section 551.071(1)(A) and Section 551.071(2)** – Consultations with Attorney: (1) threatened and/or contemplated claims, causes, or litigation, and/or (2) matters upon which the Attorney has a duty and/or responsibility to advise or report to the governmental body.
- (2) **Section 551.072** – Deliberation about real property: including, *but not limited to*, potential sales, acquisitions, exchanges, leases, dispositions or values of real properties, and/or property owned and/or considered for acquisition, use, lease or conveyance by the BEDC.
- (3) **Section 551.087** – Deliberation regarding economic development negotiations: ‘Project Tissue’, ‘Test Tube’, ‘Arugula’, ‘Kentucky’, ‘Apple Orchard’, and/or ‘Project Big Ben’.

- 6.2. At 8:17 p.m., the BEDC Board of Directors reconvened into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein above, and/or regular agenda items, noted above, and/or matters related to same. There was no action taken.

7. **ADJOURNMENT** – Drusilla Rogers made the motion to adjourn and Joe Beal seconded. The BEDC Board of Directors adjourned the meeting at 8:18 p.m.