



Notice is hereby given of the monthly Economic Development Corp Meeting to be held on **April 27, 2020, at 6:00 pm virtually**, due to the need for social distancing precautions and protection of council and the public. EDC reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization of Title 5, Chapter 551 of the Texas Government Code.

Due to the COVID 19 Disaster and CDC's recommendation regarding social distancing measures, the public will not be allowed to be physically present at this meeting, but the meeting will be available to members of the public and allow for two-way communications for those desiring to participate.

EDC will be using a telephone/video conferencing tool called ZOOM to make the meeting available to the public. You have several options to participate.

- 1) Phone in at 346-248-7799 US (Houston) and enter Meeting ID 878 5814 0212
- 2) Use the link - <https://us02web.zoom.us/j/87858140212>
- 3) Download the ZOOM app on your phone and Join a Meeting by entering Meeting ID 878 5814 0212

The public will be permitted to offer public comments during the Public Comment section telephonically, by chat, or by emailing asmith@clevelandtexas.com by 3:30 p.m. on the day of the meeting. A recording of the telephone/video meeting will be available to the public in accordance with the Open Meetings Act on the city's website – www.clevelandtexas.com as soon as electronically possible.

The agenda packet is accessible to the public as a PDF format at the following link <https://www.clevelandtexas.com/agendacenter> under *Economic Development Corp – April 27, 2020*. The meeting will also be shown on Facebook Live on the City's Facebook account at facebook.com/cityofclevelandtx. For more information or questions concerning the teleconference, please contact the City Secretary's office at 281-592-2667.

Invocation, Pledge and Roll Call / Presentations and Comments

1. Welcoming Michele Wyatt, Andrew Bounds, and Patrick Casarez as EDC Directors appointed by City Council to the EDC Board (they were sworn in prior to the meeting due to social distancing precautions)
2. Public Comments.

Any person with EDC related business may speak to EDC board. In compliance with the Texas Open Meetings Act, the EDC board may not discuss, or vote on any matter raised in public comments unless it is specifically on the agenda. Please follow the below instructions to be recognized by the presiding officer. **PUBLIC COMMENT WILL BE LIMITED TO THREE MINUTES.**

Members of the Cleveland City Council may be attending and participating. If a quorum of City Council is present, then this meeting of the Cleveland Economic Development Corp shall also be a meeting of the Cleveland City Council.



Cleveland Economic Development Corporation

**Monthly Meeting
Virtually by Zoom
April 27, 2020 – 6:00 pm**

Zoom Meeting Public Comments Instructions

- a. *Today's meeting will allow citizen participation during Public Comments section*
- b. *If you have logged in via the internet, you can use the chat feature to type in your question or comment to the host when we open the floor for public comments section*
- c. *If you emailed your request for public comment, then the City Secretary will inform the board of your request during this section.*
- d. *You can text your public comment request to 281-432-8756 if you are using Facebook Live or you can do *9 on your phone to "raise your hand" if using the phone line for the Zoom meeting.*
- e. *You are automatically muted, when it is public comments time, you will be unmuted for the allowed three minutes and will be muted again after the three minutes is up .*
- f. *The EDC Board is not required to reply during public comments.*

Reports

3. Reports and comments from Directors and staff

Regarding matters appearing on the agenda; recognition of community members, or upcoming events.

- a. EDC Director Reynolds' response to Rodney Harrison's questions from Public Comments at the February 2020 meeting (*March meeting was cancelled*)
- b. Update on EDC projects and business prospects from Director Reynolds on but not limited to:
 - i. Purchase and installation of fuel tank for the Cleveland Municipal Airport
 - ii. Manthey Street project
- c. Summary of monthly business prospect report

Consent Agenda

(All consent agenda items are considered routine by the EDC Board and will be enacted by one motion. There will be no separate discussion of these items unless a board member requests an item be removed and considered separately.)

4. Approve minutes from the February 24, 2020 business meeting
5. Approve financial statements
6. Approve bill payments for March and April 2020
7. Approve rescheduled date for the EDC May meeting due to Memorial Day holiday

Discussion and Action

8. Appoint 2020 officers of the EDC board
9. Approve a resolution of the Cleveland Economic Development Corporation designating persons authorized to sign checks and make withdrawals from the Cleveland Economic Development Corporation Bank Accounts and revoking all prior resolutions authorizing personnel (due to officer changes)

Members of the Cleveland City Council may be attending and participating. If a quorum of City Council is present, then this meeting of the Cleveland Economic Development Corp shall also be a meeting of the Cleveland City Council.



Cleveland Economic Development Corporation

**Monthly Meeting
Virtually by Zoom
April 27, 2020 – 6:00 pm**

10. Discuss and consider stimulus program to assist commercial accounts affected by the COVID 19 crises

Closed Executive Session

The EDC board reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

The Board will leave the public Zoom meeting conduct the Executive Session separately. They will return back to the main Zoom meeting after the Closed Executive Session is completed.

11. Texas Government Code Sec 551.072, Deliberations about the sale, purchase, exchange, lease, or value of real property.
12. Texas Local Government Code 551.087, Deliberations Regarding Economic Development Negotiations – discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.

Return to Open Session

13. Take action on any items from executive session as needed.

Adjourn

I certify that the above Agenda was posted at 11:30 am on April 24, 2020 at City Hall, 907 E. Houston, and the agenda packet is available on www.clevelandtexas.com under Agenda Center – Economic Development.

Angela Smith, TRMC
City Secretary/HR Manager

Members of the Cleveland City Council may be attending and participating. If a quorum of City Council is present, then this meeting of the Cleveland Economic Development Corp shall also be a meeting of the Cleveland City Council.

AGENDA ITEM #3

REPORTS AND COMMENTS BY DIRECTORS AND STAFF

- a) EDC Director Reynolds' response to Rodney Harrison's questions from Public Comments at the February 2020 meeting (March meeting was cancelled)**
- b) Update on EDC Projects and business prospects from Director Reynolds on but not limited to:
 - a. Purchase and installation of fuel tank for the Cleveland Memorial Airport**
 - b. Manthey Street Project****
- c) Summary of monthly business prospect report**

March 9, 2020

Answers to Rodney Harrison's (5) question from the EDC meeting, February 24, 2020

QUESTIONS;

- 1. What's EDC plan for Cleveland?**
- 2. What's EDC plan to improve jobs?**
- 3. What's the plan for the under developed part of town—Pct 20?**
- 4. What is required to be EDC board member?**
- 5. How do attract new business to Cleveland?**

ANSWERS;

- 1. The Economic Development is exclusively for the purposes of benefiting and accomplishing public purposes for the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare.**
- 2. Working closely with commercial, industrial and manufacturing enterprises that find Cleveland interesting and would like to bring their business for the future.**
- 3. EDC budget funds to help clean up the old dilapidated falling down houses in the area and this helps with the quality of life.**
- 4. Being a local business owner, business operator and being active in the community. In a city with a population of less than 20,000, each Type B director must be a resident of the municipality; a resident of the county in which the major part of the area of the municipality is located; or reside within ten (10) miles of the municipality's boundaries and is in a county bordering the county in which most of the area of the municipality is located.**
- 5. By promoting positivity and working closely with city leaders, elected officials and local school district building a strong team for our city. This attracts businesses to where they want to be a major part of our community.**

EDC Project Report

April 2020

Projects	Status	Status	Status
1.) Item # 15 Airport Fuel Tank	Kelly Const. Built a concrete slab 7" thick, ½" re-bar on 12" centers, using 4000psi concrete.	On April 2nd tank was delivered and placed on concrete slab.	They are currently getting quotes from electricians on rewiring or changing out the motor from three (3) phase to single phase.
2.) Item # 16 Manthey Street	Kelly Const. stripped off top layer of asphalt on half of the project, leaving a 5-6" base of iron ore; Wednesday April 22nd working on second half.	They set forms, laying re-bar #4 on 12' centers	On Tuesday April 21 st they poured first half of the street 7" thick, 4000psi (6 sack) concrete and poured the curb on 22nd. They have started the second half of the project and will be completed by the end of April.
3.)			
4.)			
5.)			

Cleveland EDC Business Status Report

April 2020

Business Prospect	Interest in Cleveland	Status	Detail
BNSF	Houston/Cleveland Logistics Center	Working on final plans	Still moving forward, a little slow because of Covid-19, all are working from home.
Quiktrip Store	Travel Center	Working on due diligence	At this time they are working on civil engineering plans along with environmental studies on site.
First America Homes	New Homes	Working on model home	They have bought around 25 lots in Grand Oaks and have started building five homes.
Kendall Homes	New Homes	Building homes	From day one until now they have sold about 25 homes in Cleveland and also bought lots in Grand Oaks but have not started any homes.
Houston Plywood	Industrial Park	No movement	They are currently closed due to the Covid-19 at this time.
Verdegen, LLC.	Opportunity Zone		They are staying in touch with the Bakers and other land owners about the project and extending the contract dates because of the Covid-19

CONSENT AGENDA

AGENDA ITEM # 4

**APPROVE MINUTES FROM THE
FEBRUARY 24, 2020 BUSINESS MEETING**

The Cleveland Economic Development Corporation met on February 24, 2020, for their monthly meeting at City Hall, 907 E Houston St, Cleveland, Texas with Board Vice President Fred Terrell presiding.

MEMBERS PRESENT: Boardmembers Robert Reynolds, Carolyn McWaters, Fred Terrell, Marilyn Clay, Kelly Jenkel-Axton

MEMBERS ABSENT: Niki Coats (resigned from the board effective 2/25/2020)

VISITORS PRESENT: West Smith, Brad Browder, J. Rice, Eisha Jones, Lance Blackwell

EMPLOYEES: Kelly McDonald, Bobby Pennington, Rod Hainey, Jennifer Jeude, Robert Reynolds,

ATTORNEYS: Derra Purnell with Olson & Olson and Justin Pruitt with Olson & Olson

Board Vice President Terrell called the meeting to order at 6:00 pm and stated there was a quorum.

1. Invocation, Pledge and Roll Call.

Lance Blackwell gave the invocation, Carolyn McWaters gave the Pledge of Allegiance to the Texas flag and Marilyn Clay gave the Pledge of Allegiance to the US flag.

2. Oath of Office ceremony for board members reappointed by Council for new term

City Secretary Angela Smith gave the oath of office to Carolyn McWaters and Marilyn Clay for their reappointment to the board.

3. Presentation of appreciation plaques for outgoing board members

Board Vice President Terrell presented former Board President Brad Browder a plaque for his service to the EDC board and community since the inception of the board. Mr. Browder made a short speech of appreciation.

Board Vice President presented former Board member Robert Reynolds a plaque for his service to the EDC board and community. Mr. Reynolds gave a short speech of appreciation and that he will continue to do his best as the EDC Director.

4. Public Comments

Rodney Harrison – 604 Shell Ave. He spoke that it was a great idea to bring Robert Reynolds. Mr. Harrison has some questions: a) What's EDC plan for Cleveland? b) What's EDC plan to improve jobs?, c) What is the plan for developing Pct 20?, d) What are the requirements to be an EDC member?, e) How do we attract new business to Cleveland?. The Board is not able to answer questions in Public Comments.

5. Closed Executive Session

- a. Texas Government Code Sec. 551.072, Deliberations about the sale, purchase, exchange, lease, or value of real property.
- b. Texas Local Government Code 551.087, Deliberation Regarding Economic Development Negotiations – to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the

governmental body and with which the governmental body is conducting economic development negotiations.

Moved to later in the agenda due to other parties running behind.

6. Return to Open Session

a. Take action as needed from Executive Session

7. Presentation by Alex Murphy regarding a program opportunity involving communication

This item was pulled due to conflict in Mr. Murphy's schedule.

8. Approve minutes from the Jan 9, 13, 22,23, & 27, 2020 business meetings

Boardmember Clay made a motion to approve the minutes as presented with a second by Boardmember McWaters. All members present voted "AYE". Motion carried.

9. Review and approve financial statements

The monthly financial statements were presented to the boardmembers by Assistant City Manager/Finance Director Bobby Pennington for review and approval.

Boardmember McWaters made a motion to approve the financial statements as presented with a second from Boardmember Kelly Jenkel-Axton. All members present voted "AYE". Motion carried.

10. Review and approve bill payments for February 2020

Assistant City Manager/Finance Director Pennington presented for approval the monthly bill payments. Total cost is \$1,887.88.

Boardmember Clay made a motion to approve the bill payments with a second from Boardmember McWaters. All members present voted "AYE". Motion carried.

11. Review and approve quarterly investment report for period ending December 2019

Presented by ACM/Finance Director Bobby Pennington. No comments or questions.

Boardmember McWaters made a motion to approve the investment report as presented by Boardmember Clay. All members present voted "AYE". Motion carried.

12. Review and approve budget carryover of \$110,687 from Fiscal Year 19 to Fiscal Year 20 for industrial park capital improvement project

This amount is leftover from last year and is handled after the annual audit is completed. This amount could also be used for the Manthey Street project. Or could be added to the budgeted amount of \$500,000 + \$110,687 = \$610k for potential industrial park improvements. This carryover has been approved by council at their last meeting.

Boardmember Clay made a motion to approve the carryover with a second from Boardmember McWaters. All members present voted "AYE". Motion carried.

13. Hear summary monthly business prospect report.

Mr. Pennington reviewed the report. Jack-N-Box is doing remodel. Rockstep Capital will be going into the Hibbett Sports store as a low cost discount store. Mr. Reynolds stated that BNSF will be in attendance at Allies Day and will make a presentation. QuikTrip is getting plans now.

14. Discuss and approve the purchase of fuel tank for the Cleveland Municipal Airport

Mr. Pennington gave an overview of options. EDC has \$150k budget for this purchase. The tank in Marshall has a asking price of \$90k plus shipping of \$4,000. It is twice as big as current tank. Will also need a crane and concrete pad the crane cost is approximately \$20k. There may be a need to have a mechanical engineer to tie into the current pumps. Discussion on why not discussed at budget time and what the other items at the airport are needed. Discussion on TXDOT Aviation program for runway lights.

Boardmember Clay made a motion to approve \$150k for the fuel tank purchase from Marshall, Tx with a second from Boardmember McWaters. All members present voted "AYE". Motion carried.

5. Closed Executive Session

Item 5 was moved to later as the parties were not here yet. The parties for the executive session arrived at 6:36 pm. EDC went into executive session at 6:50 pm

6. Closed Executive Session

Returned to open session at 8:53 pm with no action taken by the board.

15. Discuss and approve cost of advertising in Cleveland Chamber of Commerce Directory & Resource Guide

The Cleveland Chamber of Commerce asked EDC to buy space in their guide. The City and EDC can split the cost for a whole page ad and pay with hotel/motel tax funds and EDC funds. The cost to EDC would be \$820 for ½ cost of interior page or \$1,645 for full cost. The back page is already saved for the City and the cost is \$2,000 which would be \$1,000 each. This has been an annual resource guide but is changing to a bi-annual guide.

Boardmember Jenkel-Axton made a motion for the back page ad space for \$2,000 with the cost split with the City with a second from Boardmember McWaters. All members present voted "AYE". Motion passed.

16. Consider Economic Development Board appointments to submit to City Council to open board positions due to resignations

This is just a suggestion of names to Council as they are the ones who appoint directors to the EDC board. Mr. Terrell asked if all the names submitted have been checked for residence requirements.

Boardmember McWaters made a motion to nominate to council four names, Michele Wyatt, Andrew Bounds, West Smith and Patrick Casarez with a second by Boardmember Jenkel-Axton. All members present voted "AYE." Motion carried.

17. Reports and comments from Directors and staff.

Kelly Jenkel-Axton stated that school enrollment is little down due to flu.

Marilyn Clay thanked Mr. Harrison for coming to the meeting and providing good input and questions.

Carolyn McWaters stated she was asked to be a part of Black History Parade and that it was very nice.

Robert Reynolds stated that he is excited to be the EDC Director and to talk to the community.

Fred Terrell asked for a reminder of what can and can't be used on hotel/motel tax funds.

18. Adjourn

There being no further business to transpire Boardmember Jenkel-Axton made a motion for the meeting to be adjourned. Meeting adjourned at 9:15pm.

PASSED AND APPROVED this 27th day of April 2020.

Board Vice President Fred Terrell

ATTEST:

Angela Smith, City Secretary TRMC

CONSENT AGENDA

AGENDA ITEM # 5

APPROVE FINANCIAL STATEMENTS

MEMORANDUM

TO: CLEVELAND ECONOMIC DEVELOPMENT CORPORATION
FROM: BOBBY PENNINGTON, ASSISTANT CITY MANAGER
DATE: APRIL 27, 2020
SUBJECT: MARCH 2020 FINANCIAL REPORT

This preliminary report represents a general overview of financial operations through March 2020, which is 6th month of fiscal year 2019-2020. Beginning balances are audited as the City has completed the FY 2019 audit. A presentation of this audit was presented to Council on February 2020. Budget numbers are the adopted budget and include year-to-date carryovers.

SUMMARY:

Economic Development Corporation Fund

	<u>Prior YTD</u>	<u>Budget</u>	<u>Month</u>	<u>YTD</u>
Total Revenues	\$959,945	\$732,833	\$45,786	\$337,922
Total Expenses	\$329,885	\$1,533,888	\$103,117	\$424,179
Over/(Under)	\$630,061	(\$801,055)	(\$57,331)	(\$86,257)

1. Total revenues are \$337,922 or 46.1% of the total budgeted.
2. Total expenses are \$424,179 or 27.7% of budget. Operational expenses and financial obligations combined are \$336,529 or 57.4%.
3. Revenue is under expenses by \$86,257 with budgeted expectation scheduled to use \$801K in retained cash for capital outlay programs, including carryover.
4. Total cash and investments remains at \$1,812,267, of which \$1,610,841 is considered operating and available. Total cash decreased by \$55K from the last report.
5. Total sales tax YTD is \$325,292, 45.4% of the annual adopted and is \$91K or 21.9% less due to windfall collection during last fiscal year during Christmas Season 2018 combined with new housing construction. This windfall was adjusted as an anomaly during the budget process, although collection is still below mark and will likely continue to decline with the COVID-19 pandemic. Staff is currently trending a 9.2% reduction by year-end, but that trend will likely bend lower at a worst case 20% or \$143K loss. Unless home construction starts offset the ripple effects from the current pandemic and oversupply in the regional oil industry (job losses), we expect minimum sales increase from stocking up for isolation/quarantine. Consumer confidence will plummet due to uncertainty.
6. Expenses include Professional Services of \$21,432 or 38.8% of budget and is \$15K less than this time last year as a result of lower legal expenses.
7. The programmed transfer of \$155,000 is the third year annual reimbursement to the City's General Fund which is supporting full repayment of the TDA grant.
8. Final payment on the industrial park loan has been fulfilled.
9. Mitigation of losses on Sales tax can be mitigated by the postponement of improvements to the Industrial Park.

HIGHLIGHTS:

10. The City has filled the full-time EDC Director position. The Director is responsible for developing and implementing an effective business retention and expansion program and develop and produce a local and external marketing and communication activities to promote, facilitate and support the attraction, retention, expansion and formation of businesses in the City of Cleveland. In addition, support formation of partnerships that meet the City of Cleveland's redevelopment goals.
11. Capital outlay includes improvements for the following:
 - a. The detention basin was originally budgeted at \$500,000, which is supplemented by approved carryovers to a total of \$526,687. Detention basins are best management practices that provide general flood protection from storm water. The basin is to be located on the southern tip of the airport industrial park that could mitigate flooding from significant storm events. The basin will protect all land development projects within the industrial park as well as the airport. A program delay is wise considering the current financial crisis (COVID-19) until sales tax rebounds. Other reservations to this project is that the cost of improvements currently outweighs the benefits to the business park. There is currently one occupant in the Airport business park and a substantial amount of the original undeveloped property is now pipeline right-of-way. Additional engineering, cooperation from Liberty County and the logistics of getting drainage flow over established pipeline crossings are the major hurdles with this project. The funding was originally set aside as seed money for contribution to a larger (FEMA - Harvey) grant program, and is currently thought to be a doubtful financial source.
 - b. Allocation includes an increase in participation for the Central Business District sidewalk project at \$130,000. Engineering is complete and this project is currently under construction. Street lights remain to be ordered.
 - c. The Corporation budget \$150,000 to expand the airport fuel farm to include Jet "A" fuel and is currently working to complete the project. The project has incurred \$85,000 YTD and is expected to be under budget.
 - d. The Corporation approved a participation in the reconstruction of Manthey Street up to \$84,000 for retention and expansion of jobs at City Glass and Austin Bank. This project is currently under construction.

ECONOMIC OUTLOOK

12. It is estimated that sales tax may be lower than 9.2% of original budget unless collections regain traction assumed to be correlated to construction development. **Unfortunately, the COVID-19 pandemic is expected to create additional havoc on consumer confidence, and it is prudent that the City continue take the policy steps that were communicated to Council in order to reduce exposure to a widening fiscal deficit.**
13. Business activity in the U.S., Europe and Japan collapsed in April as governments tightened restrictions on movement and social interaction aimed at limiting the spread of the coronavirus
14. Oil Price at Two-Decade Low. Tumbling oil prices will have major impacts on the region.
15. About 4.4 million Americans applied for unemployment benefits last week in a continuation of a historic labor-market decline triggered by the coronavirus pandemic.
16. Abbott stated that COVID trend lines are improving, but the State is not ready to open Texas economy.

FOR MORE INFORMATION: This summary report is based on detailed information generated by the City's Administration. If you have any questions or would like additional information on this report, please contact city management at 281-592-2667.

Reporting References:

<https://www.wsj.com/news/economy>

<https://www.houstonchronicle.com/politics/texas/article/Gov-Abbott-says-trends-encouraging-but-not-time-15216373.php>

CLEVELAND ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES & EXPENDITURES
FOR THE MONTH ENDED MARCH 31, 2020**

	PRIOR YTD	CURRENT BUDGET	MONTHLY ACTUAL	YTD ACTUAL	% BUDGET
REVENUES					
Sales Taxes	416,330	715,833	43,830	325,292	45.4%
Interest Revenue	7,580	17,000	1,956	12,630	74.3%
Sports Park	130	0	0	0	
Operating Revenues	\$424,039	\$732,833	\$45,786	\$337,922	46.1%
Sale of Assets	535,906	0	0	0	
Non-Operating Revenues	535,906	0	0	0	
Total Revenues	\$959,945	\$732,833	\$45,786	\$337,922	46.1%
EXPENSES:					
Salaries & Benefits	0	124,640	7,648	7,789	6.2%
Professional Services	36,813	55,200	8,360	21,432	38.8%
Other Services	11,578	30,500	1,613	11,509	37.7%
Supplies	274	4,800	16	134	2.8%
Contributions	0	155,000	0	155,000	100.0%
Financial Obligations	232,592	216,061	0	140,664	65.1%
Operating Expenses	\$281,257	\$586,201	\$17,637	\$336,529	57.4%
Property Services	39,070	0	0	0	
Affordable Housing and Demolition	0	12,000	0	0	0.0%
Capital Outlay					
<i>Downtown Improvements</i>	0	130,000	0	0	0.0%
<i>Manthey Street</i>	0	84,000	0	0	0.0%
<i>Industrial Park</i>	1,892	526,687	480	2,649	0.5%
<i>Airport Fuel Farm</i>	0	150,000	85,000	85,000	56.7%
Business Incentives	7,666	45,000	0	0	0.0%
Financing Programs	\$48,628	\$947,687	\$85,480	\$87,649	9.2%
Total Expenses	\$329,885	\$1,533,888	\$103,117	\$424,179	27.7%
<i>Revenues Over Expenses (Total)</i>	<i>630,061</i>	<i>(801,055)</i>	<i>(57,331)</i>	<i>(86,257)</i>	
Net Position - Beginning		2,599,853		2,599,853	
Cash Balance - Beginning		1,884,048		1,884,048	
Net Position - Ending		\$1,798,798		\$2,513,596	
Cash Balance - Ending		\$1,082,993		\$1,797,791	
Total Retained Cash (%)		71%			
Reserve Requirement (25%)		383,472		383,472	
Additional Coverage: Annual Debt		216,061		216,061	
Cash (\$) over Operating Requirement:		483,460		1,198,258	

CLEVELAND ECONOMIC DEVELOPMENT CORPORATION

EDC FUND

BALANCE SHEET

FOR THE MONTH ENDED MARCH 31, 2020

ASSETS

OPERATING CASH	546,447
MMA-PROSPERITY	753,382
SPORTS & RECREATIONAL FACILITY	1,061
RESERVE-PROSPERITY	200,365
TEXPOOL	311,013
CIP WATER FACILITY	93,861
LAND ACQ AIRPT IND PARK SOUTH	387,099
LAND ACQ AIRPT IND PARK NORTH	264,324
LAND ACQ FM 1010 IND PARK	117,675
LAND ACQ - REC PARK HWY 321	180,853
TOTAL ASSETS	<u><u>\$2,856,079</u></u>

LIABILITIES

INSURANCE WITHHELD	21
RETIREMENT WITHHELD	350
ENCUMBRANCES	(30)
RESERVE FOR ENCUMBRANCES	30
DUE TO GENERAL FUND	7,276
N/P FB&T-LAND	(31,270)
DUE TO PRIMARY GOVERNMENT	366,105
TOTAL LIABILITIES	<u>342,482</u>

EQUITY

FUND BALANCE	<u>2,599,853</u>
TOTAL BEGINNING EQUITY	2,599,853
TOTAL REVENUE	337,922
TOTAL EXPENSES	<u>(424,179)</u>
TOTAL SURPLUS/(DEFICIT)	(86,257)
TOTAL EQUITY & SURPLUS/(DEFICIT)	2,513,596
TOTAL LIABILITIES, EQUITY & SURPLUS/DEFICIT	<u><u>\$2,856,079</u></u>

CONSENT AGENDA

AGENDA ITEM #6

**APPROVE BILL PAYMENTS FOR MARCH
AND APRIL 2020**

EDC CHECKS

CK DATE	INVOICE DATE	PAYABLE TO	\$ AMT	PURPOSE OF CHECK	CHECK #
2/28/2020	2/12/2020	RONIS TROPHYS	\$ 86.95	BRAD BROWDER PLAQUE	2442
					PAID
2/28/2020	2/21/2020	TOWN SQUARE PUBLICATIONS, LLC.	\$ 1,040.00	CHAMBER DIRECTORY AD: COVER FULL PAGE	2443
					PAID
3/6/2020	3/1/2020	CITY OF CLEVELAND	\$ 600.00	ACCOUNTING SERVICES	2444
					PAID
3/6/2020	2/11/2020	JEFFERY MOON & ASSOCIATES, INC.	\$ 4,030.00	FOR LAND SURVEY	2445
					PAID
3/13/2020	3/9/2020	GOOD PROMOTIONS	\$ 450.00	ALLIES DAY HANDOUT (200 QTY)	2446
					PAID
3/13/2020	3/6/2020	ASHLEIGH BROUSSARD	\$ 99.48	BREAKFAST FOR ALLIES DAY	2447
					PAID
3/19/2020	2/29/2020	COMMECODEV, LLC.	\$ 833.75	MEETING WITH BUSINESS PROSPECT	2448
					PAID
3/19/2020	3/17/2020	SAM HOUSTON ELECTRIC COOP INC.	\$ 480.07	INDUSTRIAL PARK	2449
					PAID
3/27/2020	3/23/2020	RANDY R ELLISOR	\$ 425.00	APPRAISAL FOR TBD FM 1010	2450
					PAID
4/6/2020	4/1/2020	CITY OF CLEVELAND	\$ 600.00	ACCOUNTING SERVICES	2451
					PAID
4/15/2020	3/31/2020	COMMECODEV, LLC.	\$ 870.00	ALLIES DAY: PROCUREMENT LAWS RELEVANT TO EDC AND CITY	2452
					PAID
4/15/2020	4/2/2020	NORTHWEST OHIO TOWING & RECOVERY INC.	\$ 600.00	ACTION TOWING LIFTED & LOADED 12K GAL SKID TANK	2453
					PAID
4/16/2020	4/7/2020	SHIVERS ENTERPRISE, INC.	\$ 2,632.00	SET FUEL TANK AS DIRECTED	2455
					PAID
4/22/2020	4/16/2020	SAM HOUSTON ELECTRIC COOP INC.	\$ 379.88	INDUSTRIAL PARK	2456
					PAID
4/22/2020	4/5/2020	WENDELL KELLY CONSTRUCTION	\$ 6,295.00	JET FUEL TANK FOUNDATION	2457
					PAID
4/22/2020	4/22/2020	WENDELL KELLY CONSTRUCTION	\$39,114.00	INVOICE FOR MANTHEY STREET	2458
					PAID
4/9/2020	3/9/2020	NORTHWEST OHIO TOWING & RECOVERY INC.	\$ 2,000.00	EDC AIRPORT FUEL TANK TOWING	EFT
					PAID
4/24/2020	4/16/2020	SAM HOUSTON ELECTRIC COOP INC.	\$ 379.88	INDUSTRIAL PARK	2459
					PAID
	TOTAL		\$60,916.01		

CONSENT AGENDA

AGENDA ITEM #7

APPROVE RESCHEDULING MAY EDC MONTHLY MEETING DUE TO MEMORIAL DAY HOLIDAY

Memorial Day is May 25th which is also the date of the May EDC meeting. EDC can choose to not hold their May meeting or move to an earlier date, such as May 18th the prior Monday. Monthly council meeting is May 19th.

DISCUSSION AND ACTION

AGENDA ITEM #8

APPOINT 2020 OFFICERS OF THE EDC BOARD

This is done on an annual basis per the board rules. Normally done at the beginning of the year however due to changes in directors and reappointments, the officer selection was held off till the board was fully . EDC needs to choose a president, vice president, treasurer and secretary.

ARTICLE IV

OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions.

Election and Terms of Officers

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting.

Removal of Officers

4.03. Any officer may be removed by the Board of Directors at any time, with or without cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

Vacancies

4.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

4.05. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation and must be a member of the Board. The president shall preside at all meetings of the Board of Directors. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Vice President

4.06. When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president. The vice president must be a member of the Board.

Secretary

4.07. The secretary shall:

- (a) Authenticate corporate documents and affix the seal of the Corporation as required;
- (b) Give all notices as provided in the Bylaws or as required by law;
- (c) Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records;
- (d) Maintain custody of the corporate records;
- (e) Keep a register of the mailing addresses of each director and officer of the Corporation;
- (f) Perform duties as assigned by the Board of Directors; and
- (g) Perform all other duties incident to the office of secretary.

The secretary may either be elected from among the members of the Board or the Board may elect the City Secretary to fill this position.

Treasurer

4.08. The treasurer shall:

- (a) Compile reports on the finances of the Corporation and present same to the Board at its monthly and annual meetings;
- (b) Have charge and custody of and be responsible for all funds and securities of the Corporation;
- (c) Receive and give receipts for moneys due and payable to the Corporation from any source;
- (d) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- (e) Write checks and disburse funds to discharge obligations of the Corporation;

- (f) Maintain the financial books and records of the Corporation;
- (g) Prepare financial reports at least annually;
- (h) Perform other duties as assigned by the Board of Directors; and
- (i) Perform all duties incident to the office of treasurer.

The treasurer may either be elected from among the members of the Board, or the Board may elect the City's Finance Director to fill this position.

ARTICLE V

TRANSACTIONS OF THE CORPORATION

Contracts

5.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of contracts and instruments.

Depository

5.02. The Board of Directors of the Corporation shall designate a depository bank. All funds of the Corporation shall be deposited with the depository bank.

Potential Conflicts of Interest

5.03. The members of the Board of Directors shall be considered local public officials within the meaning of TEXAS LOCAL GOVERNMENT CODE, Chapter 171. If a director has a substantial interest, as that term is defined in TEXAS LOCAL GOVERNMENT CODE, Chapter 171, in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and, if required by TEXAS LOCAL GOVERNMENT CODE, Chapter 171, the interested director shall abstain from any vote or decision upon the matter.

DISCUSSION AND ACTION

AGENDA ITEM #9

APPROVE A RESOLUTION OF THE CLEVELAND ECONOMIC DEVELOPMENT CORPORATION DESIGNATING PERSONS AUTHORIZED TO SIGN CHECKS AND MAKE WITHDRAWALS FROM THE CLEVELAND ECONOMIC DEVELOPMENT CORPORATION BANK ACCOUNTS REVOKING PRIOR RESOLUTIONS

This is required due to any changes in board officers. The bank will provide signature cards for the check signing authority after the resolution is passed. In addition to the officers of the board, ACM/Finance Director Pennington is also added as an EDC check signer.

RESOLUTION NO. _____

A resolution of the Cleveland Economic Development Corporation designating persons authorized to sign checks and make withdrawals from the City of Cleveland Economic Development Corporation Bank Accounts

BE IT RESOLVED BY THE CLEVELAND ECONOMIC DEVELOPMENT BOARD OF THE CITY OF CLEVELAND, TEXAS:

Section 1. That the following person(s) be removed from all EDC related bank accounts due to officer resignation or change actions:

Section 2. That the following persons are authorized to sign on EDC related bank accounts:

Finance Director, Robert Pennington
Board President _____
Board Vice President _____
Treasurer _____

PASSED AND APPROVED this 27th day of April 2020

Fred Terrell, Board Vice President

ATTEST:

Angela Smith, City Secretary

DISCUSSION AND ACTION

AGENDA ITEM #13

**DISCUSS AND CONSIDER STIMULUS
PROGRAM TO ASSIST COMMERCIAL
ACCOUNTS AFFECTED BY THE COVID-19
CRISES**

MEMORANDUM

TO: Kelly McDonald, City Manager
Robert Reynolds, EDC Director

FROM: Bobby Pennington, Assistant City Manager

DATE: April 27, 2020

SUBJECT: Potential Stimulus Plan to Combat COVID-19 Impact on Local Business

Staff is drafting a potential economic stimulus plan for local businesses. Cleveland businesses will suffer from reduction in productivity and sales due to the financial impact in safeguarding consumers from the COVID-19 pandemic.

The objective of a stimulus plan is to reinvigorate the local economy and prevent or reverse a recession by boosting employment and spending. The theory behind the usefulness of this stimulus is rooted in Keynesian economics, which argues that the impact of a recession can be lessened with increased government spending.

The local stimulus is to act as a supplement to any promised Federal aid that gives our local businesses the extra momentum they need to preserve or retain local jobs.

Other municipalities are providing similar assistance:

- The **City of Buda** adopted multiple economic relief measures at an April 7 meeting that will allot roughly \$485,000 to small businesses in efforts to help alleviate the economic strain caused by the coronavirus outbreak. It includes a Stimulus Grant, Emergency Co-Marketing Grant and the Hotel Occupancy Tax Forgiveness Program. Each grant requires applicants to meet different criteria.
- The **City of Austin** has an emergency utility bill relief program approved by City Council. City council voted unanimously to give customers a break through September. Austin Water is providing a 10-percent reduction in residential water and wastewater rates. Electric bills will also be reduced by the emergency action (City provides electric power). Many residential customers will see a 4-percent reduction. Customers in the assistance program will see even more of a savings.
- The **City of Houston** issued an Executive Order to suspend water service disconnections through April 30, 2020. Water bills will still need to be paid on time to avoid late fees, even though water service disconnections will be temporarily suspended.
- The **Dickinson Economic Development Corporation** seeks the authorization by the City Council of the City of Dickinson of its Emergency Business Recovery and Expansion Grant Program that shall provide for grant funds up to \$10,000 each, with a program budget of \$200,000, to eligible Dickinson businesses for recovery and expansion from business closures and economic losses due to the COVID-19 pandemic

Many of the researched incentives are good programs but each have limitations or drawbacks to what is needed for Cleveland. Also many of the examples above are within the authorization of City Council not EDC. However, Council has asked that the EDC approve a proposal staff has been considering, requiring EDC and the City to jointly approve.

The plan to assist local businesses is to credit commercial users' utility service accounts using a limited contribution of EDC cash. The City currently has 368 commercial accounts. If the Cleveland Economic Development Corporation can legally offer up to \$100,000 as a credit for utility services, it would allow local business owners some relief from the unfolding financial situation. This credit, in the form of a contribution to the City Water Fund would also limit the city enterprise fund from potential and probable non-payment risks.

If the EDC legally offered a stimulus package of \$100,000 to be equally distributed to 368 accounts, then it would theoretically provide a \$271.74 credit or reimbursement to each account. With a commercial minimum bill at \$84.50, this would cover the cost of utilities for more than 3 months and assist businesses in getting back to normal. Because the stimulus would be accounted for as a credit to the commercial user account, it can be accounted for and fairly distributed to all customer accounts without additional delay or unnecessary formalities.