

Minutes of the Brookshire Economic Development Corporation Meeting

July 22, 2024

The Brookshire Economic Development Corporation held a Special Meeting on Monday, July 22, 2024 in the Brookshire Municipal Building located at 4029 Fifth Street, Brookshire, Texas.

Agenda Item #1: Call to order

Vice-President, Kathy Guy called meeting to order at 5:30 p.m.

Agenda Item #2: Prayer

Director, Eric Green

Agenda Item #3: Pledge to the U.S. Flag

Everyone

Agenda Item #4: Roll Call

Present:

Vice-President, Kathy Guy

Director, Eric Green

Director, Quotatious Dunn

Director, Robert Richards

Director, Steve Guy

Also Present:

Attorney, Bridgette Begle

BEDC Administrator Assistant, Vickie Casto

Agenda Item #5 Public comments

Nathaniel Richardson addressed the board. He stated that it had been humiliating for him the past couple of days. This city council had chosen him to be on this board then he receives a call saying he is no longer on the EDC board. Did they even take this to their legal counsel before you took it to the board? They are in violations of their own By-Laws. Your By-Laws can supersede what the state has. He sat on this counsel for 5 ½ years, living on Wilpitz Rd approximately 3 miles from this very body, and you're telling him X number of years later that he can't serve? He told them to be careful, if they are going to lead, they need to know their rules before you apply their rules to others. His biggest concern is that, he's going to be a man that stands for right. He stated the way all this was handled, it was despicable, hurtful mean and nasty. He knows there are educated people setting around here some in here or city council, the mayor ... it was either right or wrong. He thanked them for letting him vent and getting it off his shoulders. He added that he was not upset with anyone; but their going to know one thing about Nathaniel Richardson, you will treat him right or you will find yourself in court. He will not set by and let you think you can do anything to him, embarrass him before his peers running him in a circle like a clown. That he will never forgive, and he's not a vindictive person and there are people in the room that can tell them that.

Agenda Item #6 Discuss and consideration to elect the officer positions of president, Vice-president and Secretary/Treasurer of the BEDC.

Mrs. Guy, nominated Steve Guy as president.

Mr. Richards asked for a discussion.

Miss Begle, stated to read the item.

Mrs. Guy then read the agenda line item.

Mr. Richards stated that he wanted it to be known that he has an issue with the nomination. He stated it was not about the individuals, its about the positions. They have a husband, a wife and an employee. Although it's perfectly legal; but morally it's wrong; because if the employee, employer becomes president it's an unfair disadvantage to the employee that there may possibly ... the employee would be at a disadvantage to go along with employer. The spouse would absolutely would be at a disadvantage, to go along with the other spouse. He added there were other people that were qualified that could serve on this board. They need to make sure they have the integrity; they don't need a cloud over them. It has nothing to do with them personally ... it's his opinion and his assessment of the situation. He thinks they need to postpone this nomination; they are two members short; they have nominees in the audience that's willing to set on the board. He also believes the By-Laws supersedes the state laws and if they can change those By-Laws to put them back to what the state requires, and then they nominate.

Mrs. Guy stated she agreed with part of it.... this could be revisited; but right now, put up the most qualified person and she's not part of that, and wanted to make it clear. She also informed them that she worked for another company, and don't work with them.

Mr. Richards stated that the EDC board was allowed to operate for almost two years with four members with seven places.

Mrs. Guy corrected him by saying they had two, unfortunately due to the By-Laws, Susette Baines they had to ask her to resign due to her living outside of the city limits. That's what caused them to have a quorum.

Mr. Richards stated ... so she was also allowed to be on the board outside the city limits?

Mrs. Guy stated that she was in the city limits when she started; but then she moved outside. Unfortunately, they didn't have an application process, she had no idea Mr. Richardson wasn't in the city limits.

Mr. Richards stated that he didn't see the urgency to nominate tonight. They operated for almost two years with four or five members. There were three to four months of missed meetings. With everything with the budget, and you as vice-president if your nominated again, all those back behind the scenes will continue as they are.

Mr. Guy stated she disagreed; but she would like everyone else's opinion.

Mr. Green stated that he's unhappy that Mr. Richardson is unable to serve on this board. He made the nomination to be on the board, and the previous time and he was able to serve. He thinks he has a lot of in put for the community, he served well the previous years that he served. He's not happy with it.

Ms. Guy stated that she thought it would be safe to put it on the agenda to expand the limits, because they seem to have a hard time getting qualified people on this board, to go with the 10 miles. That would include that way, and they could bring him back on. On the next agenda, put change the by-laws.

Miss. Dunn asked, at this point if they don't nominate anyone, are they holding up any projects? Who will be acting in all these positions.

Miss Begle stated that they were just appointing officers right now. If they don't do anything tonight it stays as it is. Kathy Guy would remain as Vice-President and none of

the offices are filed. She will let Vickie or Jennifer answer on the project as she does not know.

Miss Dunn asked if Kathy stays as Vice-President, will that delay any projects?

Mrs. Guy stated she is still in a temporary position. She's heard people's voices; people are not happy with the husband and wife and she's sensitive to that. They could very well choose Wednesday to remove her. She does not want to leave this board in a lurch, this is why she wanted to nominate tonight.

Mr. Richards stated if there's no president or vice-president, the operations of this EDC falls under the city's administration.

Miss Begle stated any decisions that's made will still be brought to them. It's more about Jennifer, Erica and the mayor have a representative from the EDC as a designated person that they've chosen. Whether it be for communications to run questions by you about when the board can get together, or the board see a developer or whatever it might be ... that's the main goal for that position.

Mr. Richards asked if they could go under the consumption that Mrs. Guy can be nominated to make this decision?

Miss Begle replied that it was up to them as to what they wanted to do tonight.

Mrs. Guy stated she would gladly nominate a vice-president that's already ...

Mr. Guy interrupted by saying the only reason he was there was to bring businesses to this city. He has no concerns, desires to ever be in politics. He absolutely despises it. Nothing in him is here for that reason. He has so many contacts in this city; but he does not want to get in the way because of he and Eric's work relationship. He did not want to show up; because everything turned away to find out if everything was legal ref to the nepotism, since it's a volunteer position ... he came on. But he is not going to assist in screwing this place up anymore. It's not right, he doesn't care who gets upset, it's just not right. Eric does work with him and they are buddies, they work well together and they can bring so much business in this place. Take him out of the running; because he's not going to set there and let the people stare at him looking at him like he's trying to do some damage to this place. The only reason he was nominated to make sure they wouldn't have an indivual ever involved in this city again, Mike Barnes. He's got to know the other developer guy that's here.

Mr. Richards stated that Mrs. Guy has sat on the board for two years. There's a two-year term, of course it can be extended. Mr. Guy just got here, and he stressed this was not a personal thing. He thinks it would be and it's just his opinion that Mrs. Guy should not be nominated and he (Mr. Guy) stay on.

Miss Begle stated for them to ask their staff what they need from you. Do they need a point of contact so you can decide on a president tonight. Even if its just an interim until they get positions filled.

Discussion continued.

Mrs. Ward said her response maybe one they do not want to hear; but they have developers that are watching their meetings. The questions is, what's going on?

Mrs. Guy stated she knew the community and they want to come together and do what's correct. She expects she will be leaving when city council meets because of the appearance and the sensitivity of a husband and wife. She purposely talked Steve to come in because she knows his qualifications and what he can bring to the city, their just volunteers not political people. They're just two people that live here and wanted to do something for the community.

Mr. Richards stated that he knew they had developers watching and they're also watching two years ago when they were operating with four and five members and didn't have meetings for three and four months. It took them all this time doing wrong and we're rushing now to do wrong again. When they can take their time and do it right with integrity, that's all he's asking.

Mrs. Ward stated again that there are developers that watch the meetings, it would be nice for them to have a point of contact.

Mr. Richards stated they were the point of contact; but there is no President or Vice-President.

Mrs. Guy asked if they could name a point of contact that's not an officer until they get a full board?

Mrs. Begle stated they could unofficially do that. It's not on the agenda to act on that.

Motion was made to nominate Erice Green for the point of contact

Director, Robert Richards / Director, Steve Guy

Miss Begle asked what did that mean? Just the point of contact?

Discussion continued.

Mrs. Guy asked if they had to take a vote?

Miss Begle replied no, but asked if she was good with that.

Mrs. Guy replied that she was fine with that ... she can't go on as Vice-President so she'll replace herself in advance of Wednesday.

Motion was made to nominate Quotationous Dunn as Vice-President

Vice-President, Kathy Guy / Director, Robert Richards

Miss Begle asked for a discussion and asked Miss Dunn if she was okay with that with the motion and confirmed with Mr. Green, he would be the point of contact at this time. She then asked for a vote

All For
Motion Carried

Mr. Guy stated she would like to see Robert as Secretary/Treasurer as he's already designated to sign checks.

Motion was made to nominate Robert Richards as Secretary / Treasurer

Director, Katy Guy / Director Steve Guy

All For
Motion Carried

Agenda Item #7 Discuss and consideration to establish an application process for membership on the BEDC board.

Mrs. Guy directed everyone to their packets to view the application. She really wants to avoid what's happened to Mr. Richardson. She felt the same way exactly as he did when she came in tonight. She was hoping by at least notifying him that it wouldn't be as bad as it was when she walked in the last meeting. She then apologized to him.

Again, she directed them to the application in their packets, and went over it. She stated it can be done online. So, when someone does get nominated, they can make sure they are within the boundaries. When the application is filled out then the board can take a look at it and the best qualified people on the EDC board to help the businesses in the community. She wanted to see what they thought of this process.

Mr. Richards wanted to confirm that the application process is not required by the state. Mrs. Guy replied no, and added it's like the other cities do. This helps them if we don't know that person it will give you an idea on who you're bringing in. Everyone up here has to work together.

Mr. Richards stated he understood that; but he wanted to make sure that the application process doesn't put the common person in disadvantage for selection.

Mr. Guy replied no, she didn't think so. There's no education requirements, the only thing that she would like to consider is to do a criminal background check. She believes they had someone on the previous board that did something that was criminal and she's a little sensitive.

Mr. Richards stated that when you have a background check you have to have criteria. Mrs. Guy stated she thinks they need to go through that and make sure ... this is just for discussion. Again, she spoke of the incident/issue with Mr. Richardson's location and the embarrassment that it caused him. She suggested again they needed to change the by-laws so it would include him.

Mr. Richards confirmed that they were just discussing and not approving the application. Mrs. Guy stated they could; but this is just to establish. Get someone on the website to give them a quote.

Mr. Green stated what he didn't want was the application process to not make it to ever board member.

Mrs. Guy stated ever board member will have it. Everyone in here should still have the opportunity to review each and every application.

Miss. Dunn wanted to know how she was going to confirm that? Are they going to send it to them or Vickie?

Mrs. Guy stated Erica would send it each application to each of them like any other communication.

Mr. Guy stated that second of all, take the focus off the person so much; but looking at the developers, the companies that are coming in ... they want to know who they are working with. He thinks it's very important that they know they have this in place because it makes them more comfortable with the city and so forth.

Miss Dunn stated she definitely thought that with the situation with Mr. Richardson it would have saved the embarrassment. As a board they waste another week or two to get to city council we could have someone in that place. They definitely need to put something in place.

Mrs. Guy wanted to know if they could at least get a quote to put online? She didn't know if it was in their technology budget.

Mrs. Ward replied no.

Mr. Richards stated they still needed the criteria for the criminal background check; but he doesn't know what the legal ratification were. So, they still need a criteria, 7 or 10 years back...

Mrs. Guy stated that was a good point. This was on here for just discussion, and she suggested they table it.

Mr. Guy asked Mrs. Guy when they did theirs wasn't it just 2 years back and she agreed.

Mrs. Guy stated they would just table it for now then asked if they wanted the staff to come up with an agenda to present to them or how did they want that? Everything going by Quotatious going forward.

TABLED

Agenda Item #8 Discussion and consideration approval of contract with Esch Development Services.

Mrs. Guy said she received many concerns about having an hourly consultant.

Miss. Begle asked her to read the item.

Mrs. Guy stated that she had requested this to be on the agenda because people had brought to her attention that paying an hourly consultant fee could rack up fees and charges beyond what they would normally pay a consultant in a one-year contract. That being said, she wants them to consider that this contract be well written, to include it's a one-year term, a notification to terminate, or from the consultant's side for them to be able to tell them and give them (the board) proper notice that they're moving on so they can find a replacement. She believes because there are things that needs to be cleaned up, she's not sure if they want to go into their budget for an hourly rate. They have some things right now that needs to be taken care of.

Mr. Richards wanted to know if they knew Esch's price is reasonable. They have one company that they are considering; how do they know his price is not ...

Mrs. Guy stated that she was going to base it on the last consultant's price, and not to exceed that rate.

Mr. Richards asked why they were not entertaining other companies?

Mrs. Guy stated because he's already entrenched in doing the work he's already doing. That's why she's limiting it to only just one year, and gives them time to look for someone else.

Miss. Dunn wanted to know what they were paying him now.

Miss Begle stated he's on the city's side right now.

Mr. Richards then asked what the city was paying him.

Mrs. Ward replied 250. an hour.

Mr. Richards confirmed 250. an hour.

Mrs. Guy doesn't want it to exceed what they paid the last consultant.

Mr. Richards asked how long had they had Mr. Eash as their temporary employe.

Mrs. Ward stated he had been here since May.

Mr. Richards asked how many projects was he working on now?

Miss. Dunn said for EDC.

Mrs. Molina stated technically it's all for the city.

Discussion continued.

Mrs. Ward stated that there were seven projects.

Mr. Richards asked if they were going to entertain any other companies?

Mrs. Guy stated only because he's working on the EDC things from the past and to put someone into that and pickup the pieces would be delayed. She wants to put the past issues away and move forward.

Miss. Dunn wanted confirmation. Is he working on EDC projects or ...

Mrs. Ward stated economic development, the companies are either move, relocate the business in the city. He's also working on some issues involving Empire West and some that are already here. So, economic development happens weather you have a board seated or not. The economic development board is here to help foster projects that benefit from sales tax money that comes from economic development. She thinks that's were a little bit of the confusion comes from when you tend to blend economic development with what the board does ... it makes a little more confusion.

Mr. Green stated he was brought in before the election and he was already working on something. Then he was briefed on time sensitive issues that he's working on. When he spoke with the attorney, he went into details on how serious this issue is. The previous EDC coordinator couldn't fix it. He was brought in to try and fix it, he's already started working on it. If he's not mistaken and these two-time sensitive are not taken care of, which he thinks they are running out of time, it's going to cost the city a lot of money. They can go back and say, let's bring somebody else in? Not on his watch. He's not going to get blamed by someone just wanting to switch up all of a sudden. He doesn't know this person; he doesn't have a personal relationship with Mr. Esch. He thinks he deserves a fair chance to fix a problem that was created before they got elected. He didn't create this problem, maybe bad relationships with people or other entities. The other previous EDC coordinator, he believes he made an attempt to go down there and do it but was unsuccessful. He thinks they need to try and get this done because the amount of money that he was told is a lot, and it would really hurt the city.

Mr. Richards stated he agreed. With those two projects, as he understands Mr. Esch was hired as a temporary employee for those two projects. He would like to hold employee standards. When he talked to Mr. Esch when he came before EDC, he mentioned those two projects. He gaged his performance, and the last time he came before the EDC there was nothing, he couldn't see that any progress had been made on it. It's not personal, but he wanted to see progress on those two important projects and he didn't show him any. Unless he saw something wrong or heard something wrong ... let's move forward. That's what he was gauging, his performance to award him a contract with ... taking care of those two projects.

Mrs. Guy stated she thought it would be smart to give him more than 90 days. These projects are complex and the issues he's dealing with you have to wait to get a lot of information.

Mr. Guy stated that dealing with the government is on their time not your time. He's spoke with him in length about a couple of things he's working on legislative wise for them. Apparently, he has some things accomplished just last week. He believes he's on target. He's been talking with other developers and they like him, respect him and those are the guys that drive the business.

Mrs. Guy stated again that's why she's limiting it to a one-year term. It's not a quick process to bring in a consultant.

Mr. Richards stated if they could limit it to a one-year term with performance standards and if those standards are not met then the contract can be terminated.

Everyone agreed.

Miss Dunn stated that for what she's heard from Mr. Esch, whatever this project is not fixable...that's the way she understood...is that correct?

Mrs. Ward replied, no.

Miss Dunn asked then its just going to take more time?

Mrs. Ward said it's something you can call and just get it fixed. It's a very slow process. You're having to deal with the State Comptrollers office, and you just can't pick up the phone and call. There's a process you have to make sure you're with the right person. They have to dictate a lot of that back to legal. So, Justin has been trying to figure out the legal stuff that they have to ... but she wanted to clarify what Mr. Green is talking about is different from what Mr. Richards is talking about. What Mr. Richards is talking about is the issues they have with Empire West. The issue with Empire West is dictating the future locations sites for people not only coming to them to relocate here they are also going to the county. Because, some of those are potential abatement are not active right now because the reinvestment zone was not setup correctly.

Mr. Richards asked about Crystal Lakes.

Mrs. Ward stated that Crystal Lakes was residential, that's a whole other issue ... residential vs commercial. They also have a significances project that's under another code name that's ... she believes that's the one that Mr. Green is talking about, that can cost the city millions of dollars. It will extremely change in a positive way what Brookshire looks like now.

Miss. Dunn asked if they will have access to this in executive session.

Mrs. Ward nodded her head yes.

Motion was made to approve a contract with Esch Development Services with a one-year performance base with a termination clause.

Director, Kath Guy / Director, Quotatious Dunn

All For
Motion Carried

Agenda Item #9 Discuss 2024-2025 budget items including potential Type B Projects.

Miss Guy stated that she had a list to consider. She spoke with Jennifer on tax incentives etc.

Mrs. Ward then went over the printout that was in their packets. She stated that Vickie had gone back and gave them all the financials and they've had to go back and put them all into Fund View. This way they can run financials. She then continued to explain the printouts that she had given them.

Mr. Richards asked what finical system were they runny.

Mr. Ward replied Fund View.

Mr. Richards questioned that the current year to dates are not populated.

Mrs. Ward replied no, because they've just took over the EDC's funds June 1st. They are having to enter all that. They have Vickie's stuff from Wells Fargo that Gunderson was using ... since she's been here, they have never overseen those financials. That's why they brought the financial policy to them two months ago, to say their comptroller can have oversite of that and see what that is like. They are not going back and manually input two years' worth of stuff ...

Mr. Richards replied, they don't know what their performance was last year, because they don't have any of those expenses. So, she just has the current year's budget and that's what you're going to use moving forward?

She can pull what Vickie provided to this board for the last two...

Mr. Richards asked... Encode didn't roll over?

Mrs. Ward replied no, because EDC was using Gunderson, in Hempstead. So, it was never entered into Encode.

Mr. Richards asked if they were going to populate those line items.

Mrs. Ward stated she just said, that they were manually putting the last two years in.

Mr. Richards said at some point he would like to see a complete report. He asked if the pages in their packet were corrected pages from City of Brookshire EDC of outstanding payments?

Mrs. Ward wanted to know what needed to be corrected?

Mr. Richards stated there was \$655,000.

Mrs. Ward asked what needed to be corrected about it?

Mr. Richards again repeated there was \$655,00

Mrs. Ward replied yes, it was a city transfer and they talked about it. There is nothing that needs to be corrected. They are currently in the process of moving that money over.

Mr. Richards stated it was several months behind so, it needs to be corrected.

Mrs. Ward said correct, they were in the transition period an independent company ... Gunderson and Wells Fargo switching over to a new system.

Mr. Richards stated he was just verifying that it is done...

Mrs. Ward stated it isn't completed; it should be by Friday.

Mrs. Guy stated items they wanted to add. Upgrade Vickie's computer printer, get her on a four-year replacement plan. Also, they've purchased the building across the street for EDC. She spoke of renovation and furniture needed to be added to the budget.

Mr. Richards confirmed that this was something that was decided by the previous administration.

Several replied yes.

Mrs. Guy stated it seemed like a good place to expand.

Mrs. Ward said that was done before they came. It did go to council; they did purchase the Dungan house and the tax office behind it. The tax office was purchased with the intent to move Vickie's office over there. She then explained how it would be setup.

Mr. Richards asked, if there would be one employee working over there alone.

Mrs. Guy stated there would be a meeting room for developers.

Mr. Richards again asked, just one full time employee in there. For safety reasons there is only one employee there. That's one concern, the other issues is what's going to happen with the area in the back and now your going to be separated from ministration over here.

Mr. Green stated that the area in the back use to be setup for city council to come in and have meetings. Then it was converted over to EDC. So, if you wanted to come up here and setup in the back and meet with a developer you would have some place to go. Right now, you don't have anywhere.

Mr. Richards asked Vickie's opinion.

Miss. Casto stated that she knows other towns, their EDC's have a separate office.

Miss. Dunn wanted to be clear. The building had been already purchased, and they were just talking about furniture.

Mr. Richards added and moving an employee over there.

Mrs. Molina stated there would be security in place.
Mrs. Guy continued stated recommended by Mr. Green they would like the three ring binders updated for them (the board).
Mrs. Dunn asked if there was a budget for that.
Mrs. Guy replied no. It was just an item that was being requested.
Mrs. Guy returned to adding to the budget line. Re-pavement on 10th street.
Mrs. Ward requested that item go into executive session.
Mr. Green wanted to talk about cell phones. It's something he thinks they need to look into. He spoke of public information request on their private phone if used for city business. He thinks it needs to go into the budget.
Mrs. Guy stated that the hesitation was they never received all the tablets back from the previous board.
Mr. Green stated the tablets were issued out because they started using Board Book. It was a soft wear that they used so they wouldn't have so much paperwork. Agendas and the packets were uploaded to the tablets.
Mr. Guy asked what would be best, tablet or phone?
Ms. Begle stated even on their regular phone it's still subject.
Mrs. Guy asked would this be for EDC or more for City Council?
Mr. Green replied both as he sets on both.
Discussion continued.
Mr. Green stated that EDC bought tables for the EDC and City Council.
Mrs. Guy stated maybe they could put a GoLocator on whatever device it is. Because they did lose those and people were still using them etc.
Discussion continued.
Mrs. Guy state they may to do more research on it.
Miss. Begle asked if they had budgeted for Esch.
Mrs. Ward replied yes.

Went into Executive Session
6:28 p.m.

Out of Executive Session
6:58 p.m.

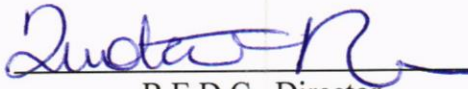
No Action

Agenda item #10 Adjournment

Motion was made to adjourn.
7:00 p.m.

Director, Kathy Guy / Director, Steve Guy
All For
Motion Carried

It is possible that a quorum of the Brookshire City Council may be present at the meeting and participate in the discussion of the items on the agenda. No official action of the Brookshire City Council will be taken at this meeting.



B.E.D.C. Director



B.E.D.C. ~~Director~~ President

Prepared by Vickie Casto