

STATE OF TEXAS \*  
COUNTY OF HENDERSON \*  
CITY OF GUN BARREL CITY \*

The City Council of the City of Gun Barrel City and the Gun Barrel City Economic Development Corporation met in a special joint workshop in City Hall, located at 1716 West Main Street, Gun Barrel City, Texas, on Monday, April 25, 2016 at 5:00 p.m.

Mayor Baade called the meeting to order at 5:05 p.m. Roll was called for the Council with Linda Rankin, Anne Mullins and Rob Rea present. Ron Wyrick was absent. Roll was called for the EDC with Steven Schiff, Jim Osborne, Keith Butler, Gary Damiano and Holland Whitten present. Megan Lindaman and Michael Slingerland were absent. Quorums were established. Mayor-elect Jim Braswell and Council-elect David Skains were also present. Mayor Baade gave the invocation.

Gary Damiano commented that he left the April 19 meeting a little frustrated. The current EDC Board worked well together, they managed their money well and they were trying to remarket the City. The Council passed an EDC agenda item for a \$7,000 sponsorship but questioned another EDC sponsorship that was for \$1,000.

Jim Osborne added that the seven people on the EDC Board sat together and talked. Outsiders were saying that they were doing a good job so they must be doing something right.

Holland Whitten added that sitting on the Board was a learning process but they would be as transparent as they could.

**ITEM # 1:** Discussion regarding EDC marketing expenditures.

Steven Schiff stated that as a result of the April 19 Council meeting, there were several issues he wanted to respond to and put to rest.

First:

He asked Jeff Moore, the EDC's attorney, to clarify in writing the legality of expenditures for events and sponsorships by the EDC (fishing tournaments, East Egg Hunts, Kiwanis,

Library, CCL Animal Shelter and CCL Chamber, etc.). These events promoted the City and the EDC and the money was being taken from the EDC's budget line item Marketing.

Jeff Moore responded that he believed the EDC could assist with the fishing tournaments, Easter Egg Hunts, Kiwanis club events, if the Board thought the events would promote the City for business and commercial activity. He felt this was consistent with Texas Attorney General Opinion GA-0086 (2003) and these events were permissible promotional expenditures. However, if Schiff was talking about simply funding the library, Moore didn't believe that was permissible.

Second:

EDC Sales Tax Training Compliance was questioned. Schiff asked Moore to provide a link where he could go and check the schedule for upcoming training sessions.

Moore responded that one person from the City (city manager, city secretary or city attorney) and one person from the EDC (executive director or person who does the daily activities of the EDC) must do the training every 24 months. The training was put on by the Texas Economic Development Council. Gary Damiano, EDC Vice President, had completed his training on June 26, 2015.

Third:

The EDC Marketing line item in the 2015-2016 budget was questioned. Based on information received from the former EDC President, it was found that there was a carryover of \$20,500 of unspent Marketing funds from the previous year that was not included in the original revised EDC budget. Due to this discovery, the EDC Marketing line item in the 2015-2016 budget was increased from the original \$42,500 to \$63,000. With the expenditures to date, the balance remaining on the EDC Marketing budget line is \$35,638.

It was noted that there were no changes to the total amount allocated to the Marketing line item after the carryover available funding from 2014-2015 was included. Unless the total amount changes, the sub categories under the Marketing line of Marketing have no bearing on the need for City Council to approve any/all changes within the sub categories, thus marking the conversation on where the monies are/will be allocated on the budget unnecessary and unwarranted.

The left over unspent Marketing dollars from previous years can be added to the 2015-2016 EDC budget at any time through a simple budget revision process that would be presented and approved by Council. There is no time limit on when these unspent monies

can be added to the EDC budget. It simply takes a revised EDC budget presentation to the Council for approval.

If Council chose not to support the proposed revised marketing line on the EDC budget, the funds can be taken out of the Business Retention/Business Development line item and used for the same purposes (there is approximately \$75,000 in that budget line item).

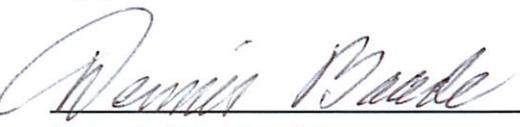
In conclusion, Schiff said that the recent events and/or sponsorships endorsed by the Board of Directors of the EDC in monthly board meetings fell within the marketing and business retention/development budget lines that had already been approved by the current Council. The EDC Board had been providing marketing updates on events and sponsorships as a courtesy to Council on a regular basis. From this point forward, the EDC would no longer bring marketing, business retention/development items with an expenditure of less than \$10,000 to the Council. Updates through email would be sent with the information so that all Council members were informed.

The meeting adjourned at 5:30 p.m.

**Attest:**

  
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**Christy Eckerman, City Secretary**

**Approved:**

  
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**Dennis Baade, Mayor**