

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF FREEPORT

BE IT REMEMBERED that the Economic Development Corporation of the City of Freeport met in a regular meeting on Monday, August 28, 2008, at 6:00 P.M. in the Board Room on the 2nd Floor of the City Hall building located at 200 W. Second Street for the purpose of considering the following agenda items.

Dan Tarver, President
Lila Diehl, Secretary
Gilbert Cuellar (Absent)
William Rains

Clan Cameron, Vice-President
Bobby Jo Casale
Johnny McQuaig

Visitors: Gary Beverly, Cele Damian, Joaquin Damian, Rene Damian, Tobey Davenport, Patrick Gore, Wright Gore, Eric Hayes, Louis Jones, Brenda Laird, Rex Maughans, Larry McDonald, Rosa McDonald and Helen McQuaig, Judy Shaefer, Larry Shaefer and Judy Shaefer, Loren Smith and Cathy Williams

OPEN MEETING

Dan Tarver opened the meeting at 6:00 P.M.

CONSIDER APPROVAL OF THE MINUTES OF THE 8/14/2008 MEETING

Clan Cameron made a motion to approve the minutes. William Rains seconded the motion and all members of the board voted in favor.

CITIZEN COMMENTS

Rex Maughans spoke about Freeport being an ideal site for offshore sailboats. He stated his opinion that sailboat owners would do more to stimulate the economy of downtown Freeport than powerboat owners. He stated that a critical mass of sailboats would be necessary to realize the full benefits due to races etc.

Wright Gore stated that he wanted to have a neighborly relationship with the board and that he was extending an olive branch with the hope of eliminating all litigation between the Freeport EDC and Western Seafood.

Cathy Williams suggested that the council chambers would be a more appropriate meeting place for the EDC.

CONSIDER APPROVAL OF EXPENDITURES

\$12,794.00 – AMCO LLC – TRICO RELOCATION

\$20,888.00 – AMCO LLC – TRICO RELOCATION
\$ 1,511.37 – DAMIAN ASSOCIATES – MARINA PROJECT
\$ 8,136.52 – DAMIAN ASSOCIATES – TRICO RELOCATION
\$20,122.14 – DAMIAN ASSOCIATES – MARINA PROJECT
\$26,774.02 – FORBES CONSTRUCTION – MARINA PROJECT
\$19,935.00 – J & S CONTRACTORS INC – TRICO RELOCATION
\$ 1,582.00 – J & S CONTRACTORS INC – TRICO RELOCATION
\$17,510.00 – MIKE SORRELL TRUCKING – TRICO RELOCATION
\$ 115.00 – OLSON & OLSON – LEGAL FEES

After considerable discussion, Johnny McQuaig made the motion to approve the expenditures. The Motion was seconded by Bobby Jo Casale and all board members voted in favor.

CONSIDER ACCEPTING THE ENGAGEMENT LETTER FROM KENNEMER, MASTERS & LUNSFORD TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR 2007-2008

William Rains stated that he knew all of the principals of the company and knew them to be competent and honest professionals. A question was asked concerning the advisability of using the same audit firm repeatedly. The answer given was that there were benefits in using the same firm such as familiarity with processes and location of records. It was also pointed out that the City staff does as much of the work themselves as the auditors will allow thus saving time and money. Although the firm doing the audit is the same, each year the individuals actually performing the audit are changed. Bobby Jo Casale made the motion to accept the engagement letter from Kennemer, Masters & Lunsford. William Rains seconded the motion and all of the board members voted in favor except Clan Cameron, who voted no.

CONSIDER APPROVAL OF THE BUDGET FOR FISCAL YEAR 2008-2009

Gary Beverly explained the budget process and went over each line item. It was pointed out that EDC revenues consist almost exclusively of half-cent tax dollars and that the bond payments must be made. Bobby Jo Casale made the motion to approve the budget. The motion was seconded by William Rains and all of the board members voted in favor except Clan Cameron, who voted no.

FREEPORT EDC FINANCIAL REVIEW – GARY BEVERLY AND/OR BOB WELCH

Gary Beverly presented fiscal year to date financial information through the end of July.

CONSIDER CHANGING THE LOCATION FOR REGULARLY SCHEDULED EDC MEETINGS

William Rains made a motion to change the location for meetings of the EDC to council chambers. The motion was seconded by Bobby Jo Casale and all board members voted in favor.

CONSIDER ACCEPTING THE BIDS RECEIVED FOR THE MARINA DREDGING PROJECT

Forbes Construction and J & S Contractors both bid \$57,800 and Mike Sorrell Trucking bid \$41,900. William Rains made the motion to accept the bids. A second was made by Bobby Jo Casale. All board members voted in favor.

CONSIDER AWARDING THE MARINA DREDGE PROJECT

A motion was made by William Rains to award the marina dredging project to Mike Sorrell Trucking for \$41,900. Bobby Jo Casale seconded the motion and all board members voted in favor.

DIRECTOR'S REPORT

The director's report consisted of an update on the Trico relocation project and a spending and budget update on the marina project.

BOARD OF DIRECTORS COMMENTS

Lila Diehl stated that plans were being developed to construct a motel and RV park at the Beach Bait & Tackle site.

EXECUTIVE SESSION

Section 551.071 Government Code

Consultation with the EDC Attorney concerning pending or contemplated litigation, settlement offers or other matters in which the Attorney's duties to the EDC Board of Directors under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to-wit:

- Wanda Jones
- Western Seafood
- Western Shellfish

Dan Tarver called the executive session at 8:08 p.m.

CONSIDER ACTION TO BE TAKEN AS A RESULT OF THE EXECUTIVE SESSION IF ANY

The Executive Session ended at 9:20 p.m. and a break was called. The meeting was again called to order at 9:27 p.m. by Dan Tarver. At this time, William Rains made a motion to set up a three-person committee to work with litigants (Western Seafood and Western Shellfish) to attempt to reach a settlement. Bobby Jo Casale seconded the motion and Dan Tarver stated the name of the three-person committee. They are Clan Cameron, Bobby Jo Casale and Dan Tarver. All board members voted in favor.

ADJOURN

The meeting was adjourned at 9:28 p.m. on motion by Bobby Jo Casale, seconded by Dan Tarver with all members voting in favor.

These minutes read and approved this _____ day of _____, 2008.

Dan Tarver, President

ATTEST

Lila Diehl, Secretary