

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
BORGER ECONOMIC DEVELOPMENT CORPORATION
A TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**

Time and Place

The following are the minutes of the Board of Directors of the BORGER ECONOMIC DEVELOPMENT CORPORATION, a Texas industrial development corporation organized under Section 4A of the Development Corporation Act of 1979, 300 West 6th St., Borger, Texas on September 14, 2010 at said meeting having been held on the call of the incorporators.

1. Present at the meeting was NORM SARGENT, ROBERTA MONDEN, LEON ROBERTS , JUD PRICE and MIKE SCALES are the persons named as Directors of the Corporation.

Also present was:

Dan Redd, CEO Borger EDC
Emily Sargent, Borger EDC
Eddie Edwards, City of Borger
Odis McClellan, OHM Operating
Steve Williams, SERCO

Norm Sargent called the meeting to order at 12:03 P. M.

Approve Minutes of August Meeting / Dan Redd

2. Norm Sargent asked if there were any changes or corrections to the minutes from the August 19th meeting.

The motion was made by Jud Price to approve the minutes. The motion was seconded by Roberta Monden and carried unanimously.

Norm asked the board members to welcome the visitors in attendance, Odis McClellan and Steve Williams

Financial Statements for August / Dan Redd

3. Dan Redd told Board members that as of today, September 14th to Operating Account has \$58,395.33, the Balance Sheet in the board packet showed \$212,311.34, the decrease is due to the purchase of the Frank Phillips College building. Money Market has \$107,883.20 and Petty Cash has \$196.79. The total for those three accounts is \$166,025.29

The CD's at First National Bank have \$176,508.10 and the second one has \$103,072.08; Wells Fargo \$203,023.82 and Happy State Bank \$301,173.57. The total for the CD's is \$783,777.57. The TexPool account is \$157,238.14, it made \$30.19 interest for the month. Sales tax for the month of August was \$84,500.51 and 7.51 percent less than the same period last year.

The motion was made by Roberta Monden to approve the August financial statements. The motion was seconded by Jud Price and carried unanimously.

Dan told the board that he had been in Amarillo the evening of September 13th with Don Powell, former FDIC and Amarillo National Bank president. He told Dan that he recommends CD's to protect your money, they earn a little money but don't lose any money.

Norm Sargent wanted to know if Dan had visited with Brown Graham about removing the Morgan Metal building from the Balance Sheet. Dan said he thought it had to be left on the Balance Sheet until the end of our physical year since the Board signed a Deed in Lieu of Foreclosure. Norm said he thought with the Morgan Metal building on the Notes Receivable Balance Sheet it was over stating our financials, Emily Sargent told the Board that the end of the physical year is the end of September. Norm asked Dan to speak with Gary Brown and ask him for the adjusting entry to remove Morgan Metal from the financial statements.

Leon Roberts said he thought that when it is removed from the Notes Receivable then it would move to the real estate portion of Fixed Assets. Roberta Monden said part of it would be in Fixed Assets and the rest, that is uncollectable, would be charged off as bad debt.

The motion was made by Jud Price to approve the financials. The motion was seconded by Roberta Monden and carried unanimously.

Investment Policy / Roberta Monden

4. Roberta Monden worked with Eddie Edwards, City of Borger, on the investment policy. She told the Board that she didn't take a lot of information out of it since the City of Borger uses this policy. She had gone through the policy and highlighted everything that would not apply to the Borger EDC. These included charges for services, performs a custodial function, Comprehensive Annual Financial Report should read Annual Financial Report. She told the Board that since they would never deal with broker/dealers that part of the policy should be removed. Everywhere in the report that says Secretary/Treasurer of the Board should be Board of Directors.

Roberta and Dan Redd will do the written procedures and then to pass them would require a vote by the Board. All of the changes will be made and the Investment Policy will be resubmitted to the Board of Directors for approval

The Investment Policy that the Board worked with during the meeting is on file with the September 14th board meeting material. This information can be viewed by anyone.

The motion was made by Leon Roberts to approve the Investment Policy with corrections. The motion was seconded by Mike Scales and carried unanimously.

Projects Updates / Dan Redd

5. **Blue Creek Mercantile** - Is currently having some electrical work done on their building. Dan Redd had him sign a temporary lease; some of their equipment has arrived and they are already setting up the fire starter equipment. Norm Sargent asked Dan to have a permanent lease drawn up for Steve Lesly to sign.

Hutchinson County Airport - Bid opening for the airport has been rescheduled for October 11th and the State of Texas has told them that if they don't get the bids down in cost then the whole project will be scraped.

1111 Penn Avenue trailer - Dan told the Board that only one person had called him and Dan called him twice and did not get a response from him. Dan asked Eddie Edwards if the City of Borger wanted the trailer; Eddie said he would get back with Dan.

The motion was made by Leon Roberts to give Dan Redd permission to do whatever is necessary to remove the trailer from 1111 Penn Avenue. The motion was seconded by Jud Price and carried unanimously.

1111 Penn Avenue roof repair - Mesa Roofing submitted a bid of \$4,340.00 to repair the roof on the Penn Avenue building; Dan told them to go ahead and repair the roof.

Dan told the Board that a man from Chickasaw, OK has called Dan twice about the anodizing portion of the Morgan building. He wants to come to Borger to see the building, the man does strictly military anodizing and be coming to Borger soon. He told the Board that if he can't find a client for the anodizing part of Morgan then maybe they should consider pulling the tanks out, filling in the hole with dirt and pour concrete on top of it. He told the Board that it could then be rented out as warehouse space.

Morgan Metal Finishing Renovations / Dan Redd

6. Dan Redd told the Board that after the last meeting the suggestion was made to move the Borger EDC office out to the Penn Avenue building.

Carson Carpet and Tile finally submitted a bid to Dan for carpet, but since it took them over ten days to get it faxed to the office Dan said he seriously doubted they were interested in working for us. Devin at Carson did not return phone calls, did not show up on time and generally did not work with Dan to get their bid ready.

Norm Sargent asked if we had let anyone else bid on carpeting the building? Dennis Milum is working for the City of Borger and submitted bids for carpet, painting the inside doors and walls, all the outside doors and plumbing. Dennis has worked at the Penn building for a couple of weeks fixing all the water leaks and replacing bathroom faucets.

Norm asked how the bid from Dennis compared with Carson Carpet and Dan told him it was about the same if you take out the far hall. The center hall has to be carpeted because of the water leaks floated the tiles up.

Leon Roberts told the board that he would like for Dan to get one more bid on painting and carpet. Ernie Heidelberg was suggested by Leon, Jud Price suggested that Francis Brothers be called for a bid to paint. Norm would like for Frank's Flooring to submit a bid on carpeting.

Norm said he would like for Dan to call the fire department and see if any of them would like to come in and pack the EDC up to move us. He wants the EDC to use as many local vendors as possible.

Dan told the Board that Scottco had submitted a bid for the air conditioning. Scottco wants to do heat pump type air conditioning with ductless wall cassettes in each office so each office would control their own heating and air-conditioning. When the offices are empty the a/c and heat can be turned off to help cut the cost of the utilities. The a/c units are 16 sear units and should pay for themselves in five years. Leon Roberts suggested calling Sam's Heating & A/C and Gandy's air conditioning.

Sewer Rerouting / Dan Redd

7. On the east side of the Morgan Metal building when it was built the sewer was put in going the wrong direction. Jerry's Plumbing gave a \$7,185.00 bid to reroute the sewer to the main sewer; Eddie Edwards told the Board that if the Borger EDC would pay for the material the City of Borger will do the work.

The motion was made by Jud Price to purchase the material for the sewer rerouting. The motion was seconded by Leon Roberts and carried unanimously.

Executive Session

8. Executive Session – Pursuant of Vernon’s Texas Codes Annotated, Government Code, Title Chapter 552, Section 551.071 (Legal), Section 551.072 (property), Section 5451.074 (personnel), Section 551.086 (negotiations). The Board entered into closed Executive Session to discuss the following at 1:00 P.M.

A. Sglass update from Clay Ballman

The Borger Economic Development Corporation Board completed the Executive Session at 1:21P.M. No action was taken on these any of these items.

Return to Open Session

form

9. The motion was made by Leon Roberts to accept the necessary Quit Claims that people volunteer and release those that sign Quit Claims Deeds. Clay Ballman is to pursue all the necessary items for foreclosure on Madison Scott and Sglass. The motion was seconded by Jud Price and carried unanimously.

Sglass Foreclosure / Clay Ballman

10. Leon Roberts made the motion to appoint Clay Ballman as the Substitute Trustee in the Sglass Foreclosure. Mike Scales seconded the motion and it was carried unanimously.

Adjourn Meeting / Norm Sargent

11. The motion was made by Jud Price to Adjourn the meeting. The motion was seconded by Leon Roberts and carried unanimously.

President: _____

Norm Sargent

Secretary: _____

Roberta Monden