

MIDLAND DEVELOPMENT CORPORATION
MINUTES
July 10, 2017

The Board of Directors of the Midland Development Corporation convened in regular session at Midland City Hall basement conference room, 300 North Loraine, Midland, Texas, on July 10, 2017.

Board Members present: Chairman Brent Hilliard, Director Wesley Bounds, Director Stephen Lowery, Director Gary Douglas and Director Keith Stretcher

Board Members absent: None

Staff Members present: Assistant City Attorney Nicholas Toulet-Crump, City Comptroller Mark Gonzales, and Deputy City Secretary SueAnn Lopez

Council Member(s) present: Jeff Sparks (District 1)

MDC Staff Members present: Executive Director Pam Welch, Marketing Coordinator Regan Latham, Accounting Clerk/Research Analyst Sara Harris, and Business Development Director Timothy Danielson.

1. Call meeting to order.

Chairman Hilliard called the meeting to order at 10:00 a.m.

2. Consider a motion approving the minutes of the May 1, 2017 meeting of the Midland Development Corporation

Director Bownds moved to approve the minutes of May 01, 2017; seconded by Director Stretcher. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, Lowery, and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

3. Receive and discuss and consider the June 2017 monthly expenses from the Midland Development Corporation.

Sara Harris stated all expenses were in line and explained there may be a possible amendment next month due to the Briarwood Extension Project being completed.

4. Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the year ended September 30, 2016 presented by Pam Simecka, Director of Finance for the City of Midland.

City Comptroller Mark Gonzales stated over all the audit went well and that the auditors did an unqualified opinion. He stated that in 2016 the City over went a software conversion and overall it was a success. He noted there were a few issues with some fixed assets that did not convert properly resulting in the auditors' issuing a significant deficiency finding in their internal control report. He explained that within the internal control reporting there were two findings, significant deficiency and material weakness and that significant deficiency was the lower of the two and it basically pointed out that there was an issue. The report stated the City did have internal controls in place but did not follow them which resulted in the delay of the audit due to fixed asset issues. Staff identified the issues due to the software conversion and were correcting them now in the system. Mr. Gonzales also reported that there was a single audit adjustment this year for the correction of accumulated depreciation to a single asset. The Hanger Lease Agreement which was a capital lease was required to depreciate but was set up in the system with the wrong in service date which resulted in incorrect accumulated depreciation which were corrected.

5. Consider a resolution authorizing the execution of an amendment to the professional services agreement with Parkhill, Smith & Cooper, Inc., for design and construction administration services related to infrastructure improvements for an approximate 78.25-acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, City and County of Midland, Texas.

Director Lowery moved to approve a resolution authorizing the execution of an amendment to the professional services agreement with Parkhill, Smith & Cooper, Inc., for design and construction administration services related to infrastructure improvements for an approximate 78.25-acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, City and County of Midland, Texas; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, Lowery, and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

6. Receive and discuss the monthly economic development activity report from the MDC staff as well as any reports on marketing and advertising activities.

Executive Director Pam Welch, Business Development Director Timothy Danielson, Marketing Coordinator Regan Latham, and Accounting Clerk/Research Analyst Sara Harris, gave a brief report on the monthly economic development activity, provided workforce/employment stats, and discussed marketing and advertising activities.

Sara Harris reported that unemployment continued to trend down however a more concerning long term trend is the contraction of the civilian labor force which is

continuing to shrink year after year so even though more people are employed there are fewer people available to reenter the work force as jobs open up. She explained it could be something that companies would look at as a negative for the region.

All of the business at hand having been completed, Chairman Hilliard adjourned the meeting at 11:41 a.m.

Respectfully submitted,

SueAnn Lopez, Deputy City Secretary

PASSED AND APPROVED the 7th day of August 2017.

Gary Douglas, Secretary