

MINUTES
BENBROOK ECONOMIC DEVELOPMENT CORPORATION
Board of Directors
Special Meeting
Benbrook City Hall
October 5, 2009

I. CALL TO ORDER

The Special Meeting of the Benbrook Economic Development Corporation Board of Directors was called to order at 6:31 p.m., Monday, October 5, 2009, in the Council Chambers in City Hall at 911 Winscott Road. The presiding officer was President Carrol Crombie. A quorum was present, including the following:

Carrol Crombie, President
Will Higgins, Secretary
Sandy Davis, Treasurer
Dan Tully
Ron Sauma
Dennis Wood

Staff Present: Ron Rainey, Executive Director
Patricia L. Taber, Administrative Assistant

Also Present: Charlie Anderson, City Councilman
Jim Wilson, City Councilman
Keith Bailey, City Councilman

II. UNFINISHED BUSINESS

A. Re-evaluate FY2009-10 Budget Presentation to City Council

- (i) **Matrix System** – President Carrol Crombie suggested reconsideration of the Matrix System as approved and accepted by City Council on October 1, 2009. He reported that after several conversations with various Council Members and Executive Director Rainey, it was quite apparent to him that the Budget, as presented without the Matrix, would not pass by vote of the City Council and advised the Board to present their views with regard to reconsideration of the action taken at the last meeting to recommend that Mr. Rainey make a few changes to the budget to reflect to the penny how the Matrix System will affect both Ms. Taber and Mr. Rainey. In addition, Mr. Crombie also requested that the Board consider giving Mr. Rainey deferred compensation (in the amount of \$6,000.00) which his contract allows and provides for and feels the Board should take advantage of the stipulations of the Contract which the City requested the EDC to adopt last year. President Crombie then opened the floor for discussion by the Board Members to discuss their ideas and suggestions.

Mr. Dennis Wood – Mr. Wood indicated he had not considered the deferred compensation matter and requested additional information. President Crombie explained that this was a stipulation in said contract with the City Manager, said contract requested last year by the City to be accepted by the EDC Executive Director. Mr. Wood was in agreement to adopt the Matrix System as presented with the deferred compensation clause as initiated.

Mr. Sandy Davis – Mr. Davis indicated he would like to see the total compensation changes that would happen under the Matrix system. He also said that, as a citizen, he felt that the Council needed to make some kind of request for the Board to do certain things instead of through second-hand information and through certain people on the Board.

Mr. Will Higgins – Mr. Higgins concurred with Mr. Davis. He expressed no desire to fight with City Council about the matter, but noted that he's heard conflicting opinions about whether the City Council can require the EDC to adopt the Matrix. He stated that he has not had time from a legal standpoint to come to a conclusion on the issue, but admitted that it is the City Council's prerogative to approve the EDC's budget. He expressed a desire to see how the salary figures broke down under the budget, and pointed out that although the EDC might not be legally bound to representations made to Ms. Taber about her salary, the EDC had been operating under a system that was totally different from what the City Council now proposes. Mr. Higgins recommended that the EDC adopt the budget without any reference to the Matrix; that if the budget fit within the Matrix, that would be fine, but that the EDC should have the opportunity to re-evaluate, with the recommendation of the Executive Director, the status of the EDC's employees and whether they should receive raises or advance to another grade level. Mr. Higgins reiterated that the lack of legal counsel to give guidance on the issue of whether the City Council can require the EDC to adopt the Matrix left him with the question unanswered. Additionally, like Mr. Davis, Mr. Higgins expressed a preference that somebody from City Council would address the EDC directly about the matter rather than the Board operate based upon what Mr. Higgins perceived as second-hand information.

Mr. Carrol Crombie – Mr. Crombie recapped from the previous meeting the numbers presented in the Budget reflecting compensation for the BEDC staff, and included his suggestion of the addition of the \$6,000.00 deferred compensation to be given to Executive Director Rainey. Mr. Crombie also addressed the terms of the proposed Contract with Mr. Rainey.

Mr. Dan Tully – Mr. Tully also concurred completely with his fellow members. He stated in his tenure on the Board for the past five years, excluding cost of living increases, he believes the most Mr. Rainey has received over this time period is an increase of between 2% and 4%, which were cost of living increases received by all City staff. He indicated from his perspective in looking at the \$6,000.00 figure for deferred compensation, it's really compensating for no growth over the last quite a few years. As a mathematical function, he feels it is a great concept and believes the amount is appropriate for past and current consideration. Mr. Tully feels the President of the EDC Board is absolutely correct on how it can be handled down the line with dealing with the Matrix issue as far as establishing the proper grade to be considered for Ms. Taber and stated this issue is of great concern and believes that the Board will go forward and, no matter what is configured, will do the right thing in that regard. Mr. Tully expressed he has had conversations with several past Board Members and their concerns of the relationship between the Council and EDC Board, but really had no answers, and doesn't believe the current situation to be healthy for the community or for this Board. Mr. Tully stated he would like to see this Board continue with its straightforwardness, it represents what the tax money that we are responsible for, to maintain that responsibility and integrity, and as was told to him and as he has observed in his five years here, with the exception of now, all the past Board members that were Council members, every time they walked in here, they walked in as an EDC Board member and thought about what the economic development is and the principles associated with that. That was the model that he went after and stood by even with his time on the Council and sitting on this Board at the same time. Mr. Tully believes the compensation the way it is, is reflective of the job that Ron has done,

and believes the compatibility with the Matrix is immaterial in a lot of ways, but does believe this Board and its staff will move forward to make sure that its properly set with, not just Pat, but even for future employees working with this Board, in the right place and moving forward in a positive manner, not only with our staff, but with the city staff.

Mr. Ron Sauma – Mr. Sauma reiterated as he had stated before, the information is not second hand. The position he took at the last meeting recommended the EDC should follow the Matrix and that he believes the Council would want the same thing. He indicated he had not checked with the Council. Mr. Sauma also stated he felt it is not fair to keep using names for Ron and for Pat, it's not them. The Board is discussing the positions. He indicated he didn't have a problem with Ron's raise, (correction the EDC Director's) raise of \$4,140.00, because that is the way the Matrix falls and that's what he should get. Mr. Sauma feels the position for the Marketing Director is at the top level of seven, with that a raise would be \$542.00 because what they state is that position is overpaid now, but that's fine because that's what the Matrix has. Mr. Sauma stated this is not a game, this is not a battle and it is not a power play. The Council has absolute authority over all the Boards and the Commissions. He does not believe the EDC Director should receive a \$6,000.00 deferred compensation and as he has remarked previously, he reiterated, the EDC Director is not the same as the City Manager and the EDC Board keeps referring the two positions as equal. Mr. Sauma indicated he has yet to see a new Contract, the only Contract he has is the one from last year (Mr. Crombie advised Mr. Sauma it is the same one. The Contract is mirrored to the City Manager's Contract.) Mr. Sauma also requested discussion of some additional items on the Budget to be elaborated on tonight. (Mr. Crombie – that's what we are here for, if there are some other items you would like to discuss, sir, please do so.) Mr. Sauma responded yes he would and that he would do it as first-hand, not second-hand, and though he is an EDC member, he always wears his Council hat first. On the dues and membership, he requested a list of all the associations and who pays for what. (Mr. Crombie asked Mr. Sauma – Sir, why didn't you ask for this months ago when we presented this to the Board initially?) Mr. Sauma responded "it doesn't matter, because you opened it up again so I am asking for it now." Mr. Sauma concluded that to make his comments clear, he would agree with Will about what does Council want and said that's a very good point. He commented Council wants this Board to be the most efficient Board possible because it is dealing with taxpayer money and that's an important deal. And just because the EDC has money, hundreds of thousands of dollars for the first time, is not an excuse to go ahead and spend it, in his opinion, where it's not needed. He remarked that as he has said before, he is pleased that if the Board adopts the Matrix, he believes that it's a good step, it's called the position classification and all of his fellow Board member comments were very good.

Mr. Davis – Mr. Davis stated after his meeting with Mayor Dittrich about improving communications between City Council and EDC, he feels one of the ways of improvement to be that the City Council make requests officially of things they want this Board to consider. He would like City Council to make a written request to EDC for adoption of the Matrix. Mr. Davis was not in favor of the deferred compensation.

After discussion among the members, Mr. Sauma indicated he had only spoken with one Council member about the Budget and restated from the last meeting that it was his opinion it would not be approved if the Matrix was not adopted. Mr. Tully suggested this Board, in its best interest, is to move forward and get this Budget compensated through on the 15th as it is presented, and at the same time, "I think this Board in concurrent resolution with this Budget, ought to request formal request by City Council as a total open discussion forum as to the value of this Matrix as it applies

to the compensation for all members of the EDC staff.” Mr. Crombie disagreed with Mr. Tully’s comments and indicated the only way at this time to get the Budget approved is to accept the Matrix and move forward.

It was concluded time is of the essence and a request to the City for the written request could not be accomplished in a timely manner for presentation of the EDC Budget at the next City Council meeting on October 15, 2009.

Mr. Dennis Wood made a motion to accept the Budget FY2009-2010 as presented by Mr. Rainey adopting the Matrix for the approval of the City Council. Mr. Ron Sauma seconded the motion.

Mr. Sauma referred to comments from the last meeting that this is the EDC Budget and the numbers could be plugged in and not identify disbursement of the monies for salaries, and asked if that was still the mind set for this Board. He was told no. Mr. Sauma - Again, it was to plug it in and come May or March, whatever date it was, that staff would still receive a five percent (5%) raise and “I want to make sure that that’s out.” He was informed it was out unless and until a new position description was developed for that staff position. Mr. Sauma – “so I understand that the Budget, if approved, will plug in the Matrix system for both employees, period. And it does not include this five percent (5%) which was in the Budget somewhere.” Mr. Crombie assured him it was out. Mr. Sauma said “ok, I just want to make sure for the record. That’s why I second it.”

President Carrol Crombie called the vote. The motion carried 4-2. (Mr. Dan Tully and Mr. Will Higgins voting nay).

(ii) Deferred Compensation for Executive Director –

Mr. Dennis Wood made a motion to accept the deferred compensation of \$6,000.00 to be included in the Budget for the Executive Director. No second was made. Motion dies for lack of a second.

III. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 7:15 p.m.

Attesting Officer

Presiding Officer