

The mission of the City Development Corporation of El Campo is to promote economic development and growth in El Campo while protecting the unique quality of life that exists in the community.

REGULAR MEETING CITY DEVELOPMENT CORPORATION OF EL CAMPO

**Northside Education Center
707 Fahrenthold, Board Room
El Campo, Texas 77437**

NOTICE is hereby given that a meeting of the Board of Directors of the City Development Corporation (CDC) of El Campo, Texas was held at the **Northside Education Center, 707 Fahrenthold, in the Board Room**, within said City, at **2:00PM Monday, June 22, 2026**.

MINUTES

The purpose of the meeting was to review and consider taking official action on the following items:

1. Cuatro Strack called the Regular CDC Meeting to order at 2:02PM.
2. Brian Hodges led the Pledge of Allegiance and Gary Raybon led the Prayer.
3. Cuatro Strack confirmed the presence of a quorum of Board. Board Members present were Cuatro Strack, Gary Raybon, Tommy Hitzfeld, Anthony Garcia and Brian Hodges. Executive Director Carolyn Gibson, City Manager Courtney Sladek and Deputy City Manager Rene Garcia were also present.
4. Public Comments: There were none.
At this time, any person with City Development Corporation-related business, not scheduled on the agenda, may speak to the CDC Board. In compliance with the Texas Open Meetings Act, the CDC Board is limited to making a statement of specific factual information in response to the inquiry or reciting existing policy. The CDC Board may not discuss, deliberate, or take any action on any item not on this agenda. The issue may be placed on a future agenda for consideration.
5. April Charlebois presented the results of the CDC FYE 2025 Audit by Singleton, Clark & Company, PC virtually by Teams. She was accompanied by partner Robert Gattilia. They reported the CDC's financials received an unmodified opinion on the FYE 2025 financials. Gary Raybon moved to accept the audit as presented. Motion was seconded by Anthony Garcia and passed unanimously.
6. Anthony Garcia moved to approve the Minutes of the Regular CDC Board Meeting May 18, 2026 as presented. Motion was seconded by Gary Raybon and passed unanimously.
7. Carolyn Gibson presented the CDC Financial Reports and CDC Investment Report for May 2026. She noted budget amendments would be on next agenda for infrastructure funding and \$10,000 check to "CDC of El Campo" May 1, 2026 was added to the balance in the New First Money Market account. No action was necessary.
8. Carolyn Gibson presented the Sales Tax Reports for May 2026, noting a 5% increase for May and -6.2% for June. The year-to-date Sales Tax collections were 7.3% higher than last year. No action was necessary.
9. Carolyn Gibson presented each line item for the CDC Fiscal Year 2026-2027 proposed budget. She noted the "Pledged Funds" previously included in the budget would be an addendum to future

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budgets at the suggestion of the auditor, removed from the budget revenue and expenses. Under Personnel, there is an increase in the personal vehicle allowance for the Executive Director, as W-2 employees cannot deduct unreimbursed business mileage on their personal federal tax returns, the deduction was suspended by the Tax Cuts and Jobs Act. The IRS suggested to offset costs, employees must rely on their employer to provide a tax-free reimbursement. She reported her business mileage for 2025 was 29,593, at \$0.725/mile = \$21,455. Insurance, TMRS and salary increases reflected City budgeting, and \$30,000 was added for annual Pension Liability per the auditor's suggestion.

Under Office Expenses she noted both CDC office computers had to be replaced, the laptop is 8 years old and the desktop used by admin was former Executive Director's. Bids suggested a cost of <\$2500 to replace both. The CDC storage expense is broken out from "lease" expenses, annual audit cost increased to \$8,000, and CDC Managed IT services of \$8,000 had been added as a line item.

The next budget workshop will be on the July agenda. No action was necessary.

10. Cuatro Strack adjourned the Regular Meeting at 2:55PM to Hold Closed Session to: discuss and deliberate: economic development negotiations as authorized by Section 551.087 of the Texas Government Code regarding the following:

- A. Project Southpaw- Economic Development Incentives
- B. Project Gulf- Economic Development Incentives

11. Gary Raybon reconvened the meeting into Open Session and called for any action to be taken from Closed Session, as Cuatro Strack had to leave Closed Session at 3:00PM.

No action was taken as a result of Closed Session discussions.

12. Carolyn Gibson presented the Director's Report on CDC Office Activities for May 2026, including information on the small electrical fire at the Hilton Home2 Suites resulting in closure for repairs and she has and will remain in contact with owner Vic Desai; City Council June 22nd Agenda with CDC Board reappointment of Brian Hodges and Rayce Jenkins for Gary Raybon's seat on the Board due to his retirement; the expanded "Shop Local" campaign to "Choose El Campo First"; the El Campo Elks Lodge Soccer Shoot June 27th; June 1st Alliance for I-69 newsletter; the CDC's Lunch & Learn with the SBDC for "Access to Capital: Finding the Right Funding for Your Business" July 15th; letter from Governor Abbott to the President of ERCOT regarding data center construction and utility use; and CDC Notes for May. She also reported DSG Nursery was purchased by Hobo Electric owners Denver & Amelia Penner, was leased to Andy & Carla Schmidt, owners of Home Town Flowers currently located at "The Shed" on West Loop, and plan to open in the new location early August 2026.
13. The next Regular Board of Directors Meeting is Monday, July 27, 2026, at 2:00PM.
14. Anthony Garcia moved to adjourn the meeting, which was seconded by Tommy Hitzfeld, and Gary Raybon adjourned the meeting at 3:21PM.

Carolyn Gibson

Carolyn Gibson, Recording Secretary