

OFFICE OF RURAL COMMUNITY AFFAIRS

Executive Committee Meeting

Cain Center

915 South palestine

Athens, Texas

March 31, 2005 – April 1, 2005

MINUTES

The Executive Committee of the Office of Rural Community Affairs convened at the Cain Center in Athens, Texas at 1:30 p.m. on Thursday, March 31, 2005. The meeting recessed at 5:10 p.m. that afternoon, and reconvened at 8:40 a.m. the morning of Friday, April 1, 2005. The Committee adjourned at 9:45 a.m. that same morning, April 1, 2005.

Executive Committee Members in Attendance

Present

William M. Jeter, III, Chairman

Carol Harrell, Vice Chair

Michael Waters, Secretary

David Alders

Nicki Harle

Wallace G. Klussmann

Ike Sugg

Pat Wallace

Not present

Lydia Saenz

Others Registered in Attendance *(in alphabetical order)*

Name

Organization

Holstein, David

Henderson County Judge

Jenkins, Joe

Mayor, Waxahachie

Murray, Mike

East Texas Council of Government

Passanisi, Joe

Fastrac International / Clift Properties

Sweeney, Mark

East Texas Council of Governments

Vargas, Juan

Webb County

Prior to adjournment of the meeting, Henderson County Judge David Holstein swore in Michael Waters, who was re-appointed to the Committee by Governor Rick Perry, and new member, Ike Sugg, who was appointed to

the Committee by Speaker of the House Tom Craddick. Sugg replaced Jim Roberts, whose term expired February 1, 2005.

Chairman William Jeter called the meeting to order and asked Michael Waters, Secretary, to call the roll. A quorum was present.

Prior to proceeding with the agenda, Chairman Jeter asked for a moment of silence for past member Jim Roberts, who passed away on March 4, 2005.

1 Agenda Item A1

Michael Waters offered and Wallace Klussmann seconded the motion to approve the [minutes](#) of the February 3, 2005 Executive Committee meeting.

2 Agenda Item B1

[Comments](#) were received from the following persons beginning at 8:45 a.m.

Holstein, David	Henderson County Judge
Jenkins, Joe	Mayor, City of Waxahachie, Texas

3 Agenda Item C1

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on [legislation pending in the 79th Regular Session of the Texas Legislature](#). No action was taken.

4 Agenda Item C2

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on the [budget cuts proposed by the President of the United States to Congress on the Community Development Block Grant Program \(CDBG\), the Small Rural Hospital Improvement Program \(SHIP\), the Access to Emergency Devices \(AED\) Program and the Medicare Rural Hospital Flexibility Grant \(Flex\) Program](#).

Mr. Stone presented resolutions for the Texas congressional delegation and the Texas Legislature in support of the continuation of

the federally funded programs being discussed.

Wallace Klussmann offered and Nicki Harle seconded the motion to approve that all ORCA Executive Committee members sign the documents. The Executive Committee, with all members present voted yes.

5 Agenda Item C3

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on the [Texas Rural Foundation](#).

Chairman William Jeter suggested establishing a “Memorial Gift” donation category in honor of past ORCA Executive Committee member Jim Roberts.

Members discussed defining the use of Foundation dollars.

ORCA General Counsel Jerry Hill noted that the Executive Committee may provide objectives to the Foundation directorship, while the directorship may decide the Foundation’s objectives on their own.

Mr. Stone noted that the agency will provide sample by laws for the establishment of the Foundation.

Mr. Stone also requested that the Committee consider geographic and ethnic diversity in their decisions regarding the Foundation directorship.

No action was taken.

6 Agenda Item C4

ORCA Executive Director Charles S. (Charlie) Stone briefed the Executive Committee on the [Risk Management and Classification Reviews by the State Auditor’s Office](#). No action was taken.

7 Agenda Item C5

ORCA Executive Director, Charles S. (Charlie) Stone, briefed the

Executive Committee on the [agency's Rural Policy Symposium held on February 2, 2005](#).

Nicki Harle suggested that future event planning include the identification of who the agency wants to attend, i.e., representatives from organizations, individuals, elected officials, etc. Mr. Harle also suggested that future policy development events present a definition of policy, provide samples of policy and present guidelines to developing policy.

Michael Waters expressed that he enjoyed the success story presentations at the 2004 event.

Chairman Jeter suggested that four events be scheduled in four different locations throughout the state. Mr. Jeter also suggested that an ad hoc committee, comprised of past event attendees, be formed to discuss event logistics.

No action was taken.

8 Agenda Item C6

ORCA Executive Director, Charles S. (Charlie) Stone, briefed the Executive Committee on the [Executive Director's identification of the reports the agency is required to prepare pursuant to Federal and State law and regulation](#). No action was taken.

9 Agenda Item C7

ORCA Executive Director, Charles S. (Charlie) Stone, briefed the Executive Committee on the [Committee's Housing Task Force](#). Members of the Task Force, David Alders, Wallace Klussmann and Michael Waters agreed to meet April 21, 2005, in Austin to discuss items to present to full Committee at the next Executive Committee meeting. No action was taken.

10 Agenda Item F5

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on the [Housing Infrastructure Fund award to](#)

the city of Waxahachie. Michael Waters offered and Nicki Harle seconded the motion to approve the award. The Executive Committee, with all members present voted yes.

11 Agenda Item D1

ORCA Finance Division Director, David Flores, briefed the Executive Committee on the agency's fiscal year 2005 budget. No action was taken.

12 Agenda Item D2

ORCA Finance Division Director David Flores briefed the Executive Committee on the agency's audit prepared by the firm of Helin, Donovan, Trubee and Wilkinson (Internal Auditor).

Michael Waters requested that Mr. Flores make the Internal Auditor aware of the completion of IDIS reconciliation.

David Alders requested that Mr. Flores confirm with the Auditor that the agency's audit includes a review of the reconciliation process as part of the auditor's current contract.

Mr. Alders also requested that Mr. Flores set up a meeting with the Internal Auditor, Mr. Alders, Wallace Klussmann, Michael Waters, and Mr. Flores at the agency at 11:00 a.m. on April 21, 2005.

No action was taken.

13 Agenda Item G1

ORCA Compliance Division Director, Theresa Cruz, briefed the Executive Committee on the agency staff's review and analysis of soft and administrative costs in response to the issuance of the U.S. Housing and Urban Development's finding in its Monitoring Report on the Community Development Block Grant Housing Rehabilitation Program. David Alders requested that Ms. Cruz provide the total soft costs per project to him by April 21, 2005. No action was taken.

14 Agenda Item F1

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on a report related to distress scoring criteria used in the various funding categories of the Community Development Block Grant Program. David Alders requested that Ms. Cardenas present the information all on one page in the future. No action was taken.

15 Agenda Item F2

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on a report on the location of disaster related projects and housing rehabilitation, acquisition and elevation of the Community Development Block Grant Program Disaster Relief Fund. No action was taken.

16 Agenda Item F4

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on the award of the Small Towns Environment Program (STEP) grant to Red River County. Patrick Wallace offered and Wallace Klussmann seconded the motion to approve the awards. The Executive Committee, with all members present voted yes.

17 Agenda Item F6

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on proposed revisions to the Texas Administrative Code, Title 10, Section 255.1, which would add area benefit requirements for street paving, Section 255.9, which would change the Colonia Construction Fund awards from annual competition to biennial competition and to describe Past Performance Scoring and 255.16 which would describe Past Performance Scoring for the Non-Border Colonia Fund of the Texas Administrative Code.

David Alders requested that staff study other location-specific criteria to further identify appropriate areas of need to which funds may be targeted.

Wallace Klussmann offered and Patrick Wallace seconded the motion to approve that the proposed rules be posted the Texas Register for public comment. The Executive Committee, with all members present voted yes.

18 Agenda Item F7

ORCA Executive Director, Charles S. (Charlie) Stone, briefed the Executive Committee on a [set aside for disaster relief for Program Year 2005 from Community Development Block Grant \(CDBG\) de-obligated funds](#). Wallace Klussmann offered and Patrick Wallace seconded the motion to establish \$8 million as the cap on the set aside.

This discussion was tabled upon recess of the Committee at 5:10 p.m. on March 31, 2005 until April 1, 2005 at 8:30 a.m.

The Executive Committee reconvened at 8:40 a.m. on Friday, April 1, 2005 and resumed discussions and considerations of this Agenda Item.

Mr. Klussmann withdrew his motion after discussions resumed. The Committee members all agreed to wait until next Executive committee meeting when ORCA Finance Division Director David Flores could present the finalized budget.

David Alders requested that staff consider revising the program to be administered through a revolving loan fund (RLF) process, and requested that staff bring their recommendations to the Committee at their next meeting.

No action was taken.

19 Agenda Item H1

All Committee members agreed that the August 4-5, 2005 meeting be moved from Wharton (Wharton County) to Columbus (Colorado County).

Michael Waters requested that the Committee consider Graham (Young County) and Ballinger (Runnels County) for future meeting locations.

Carol Harrell noted that a consortium of communities has requested that Linden (Cass County) be considered for a future meeting.

No action was taken.

20 Agenda Item F3

ORCA Community Development Director, Oralia Cardenas, briefed the Executive Committee on the [award of the Colonia Economically Distressed Area Program \(CEDAP\) grants to: Cameron and Webb counties over \\$300,000](#). Michael Waters offered and Patrick Wallace seconded the motion to approve the awards. The Executive Committee, with all members present voted yes.

21 Agenda Item J1

Wallace Klussmann offered and Nicki Harle seconded the motion to adjourn at 9:45 a.m. The Executive Committee, with all members present voted yes.