

NOTICE OF SPECIAL MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
FEBRUARY 16, 2017 5:30 P.M.
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Jody A. Tittle, Vice President
Richard Hernandez, Secretary
Linda Requénez, Treasurer
Catherine Garcia
Pete Jaramillo
Councilman Ruben D. Plata served in the Mayor Position

ABSENT:

S. David Deanda, Jr., President

ALSO PRESENT:

Lee McCormick, CDA President
Luis Lopez, BMC CPAs & Advisors
Adelita Felix, BMC CPAs & Advisors

STAFF PRESENT:

Alex Meade, Chief Executive Office
Angie Vela, Finance Director
Daniel Silva, COO
Ezeiza Garcia, Assistant Finance Director
Judy Vega, Executive Assistant
David Gonzales, Accountant
Janette Molina, MEDC Receptionist
Joel Garza, Director of Technology
Angie Vela, Assistant Finance Director
Tecló Garcia, Director of Strategic Planning
& Education
Cristina Garza, Program Director
Shaine Mata, Facility Manager

1. Call to order

With a quorum being present Vice President Jody A. Tittle called the meeting to order at 5:39 p.m.

2. Approval of Minutes – January 17, 2017

There being no corrections or additions Catherine Garcia moved for approval. Motion was seconded by Linda Requenez and approved 6-0.

3. Approval of Financial Statements for January 2017.

Accountant David Gonzales presented and recommended approval of the Financial Statement for January 2017.

There being no corrections or additions Councilman Ruben Plata moved for approval. Motion was seconded by Pete Jaramillo and approved 6-0.

4. Acceptance of Quarterly Report for Investments for the Quarter ending December 31, 2016 and Interest Earned for Three Months ending December 31, 2016.

Accountant David Gonzales presented and recommended approval of the quarterly report.

There being no corrections or additions Pete Jaramillo moved for approval. Motion was seconded by Richard Hernandez and approved 6-0.

5. Approval of MEDC Financial Statements and Independent Auditor's Report for Fiscal Year ending September 30, 2016.

Finance Director Angie Vela welcomed and introduced Adelita Felix and Luis Lopez, Auditors with BMC CPAs and Advisors to present MEDC's FY 2015-2016 Audit Report. Ms. Felix began her presentation by saying that the firm had given the audit a clean opinion with good numbers and no major adjustments. Discussion ensued. Questions were made regarding the structure of the organization, which is committed to projects. CEO Alex Meade stated that the committed projects shown on the statement are projects that we are committed to and paid "to date" even though they may be spread out over several years. The biggest change in the financial statement is the building we are now leasing which is identified as a "capital lease". Ms. Felix went over some of the notes to financial statements and stated that administration has either corrected or is working on correcting recommendations that were made. One noted correction is a cash deposit of \$6 million that was not assigned to MEDC but to the City of Mission. It has since been corrected to reflect it as an MEDC deposit. Another item was related to the City of Mission's Purchasing Policy. Although MEDC has adopted the purchasing policy of the City of Mission by default, our purpose is different. Under the City of Mission's Purchasing Policy, we are not allowed to purchase alcohol; however, under its 501(c)4 designation, MEDC can lobby and recruit companies in which treating clients to dinner and drinks may be involved. The recommendation is that we either make an exception under the City of Mission Purchasing Policy or adopt a new purchasing policy exclusive to MEDC and adopted by City Council. No further comments were made.

After the discussion, Councilman Ruben Plata moved for approval of MEDC's Financial Statements and Independent Auditor's Report for FY 2015-2016. Motion was seconded by Catherine Garcia and approved 5-0 with one abstention. Treasurer Linda Requenez abstained from voting.

6. Public Hearing – Budget Amendment to the FY 2016-2017 Budget: A retail project in an amount not to exceed \$100,000 over a period of two years. The retail project is located on the North West corner of Mile 2 and Conway, Mission, Texas 78572

Vice President Jody A. Tittle opened the public hearing at 6:00 p.m. and asked for comments on the proposed project consideration for FY 2016-2017.

MEDC CEO Alex Meade mentioned that this retail project, was a Tru Fit Athletic Club that was requesting assistance related to the extension of utilities. The business is next to Peter Piper Pizza. The company will be paying for the extension of the utilities and we will reimburse them \$50,000 a year for two years.

There being no further comments, Vice President Jody A. Tittle declared the public hearing closed at 6:04 p.m.

The notice of intention to undertake the project and notice of public hearing was originally published on January 20, 2017. A notice of a rescheduled public hearing was published on February 10, 2017. The comment period will end on March 21, 2017.

7. Approval of Post-Issuance Tax Compliance Procedures for the Mission Economic Development Corporation

Lee McCormick, President of Community Development Associates, presented this item by saying that every time his firm closes a bond transaction, there are some post-closing compliance items that are due to the IRS, some requirements that must be done to maintain tax exempt status of the bonds. This compliance procedures are not any different than what we have done in the past. It is just an actual procedure approved by the Board. The reason for this is that when the IRS audits, they view very favorably when the conduit issuer like MEDC has these policies in place so that upon closing, the policies are given to the borrower. Basically, the procedures state that responsibilities such as arbitrage rebate reporting, record keeping and asset tracking for qualified costs, all belong to the borrower and not to MEDC. All of this is stipulated in a tax certificate that is part of a transcript when the bonds close but that is buried in 400 pages of documents. Mr. McCormick said his firm has made it easier for the borrower to understand the requirements by creating this document. He is requesting approval of the compliance procedures.

Linda Requenez moved for approval of Post-Issuance Tax Compliance Procedures for the Mission Economic Development Corporation. Motion was seconded by Richard Hernandez and approved 6-0.

8. Vice President's Comments

None

9. Adjournment

Councilman Ruben Plata moved to adjourn the meeting. Motion was seconded by Catherine Garcia and approved 6-0. Meeting was adjourned at 6:09 p.m.

S. David Deanda, Jr., President

ATTEST:

Richard Hernandez, Secretary