

**NOTICE OF REGULAR MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
AUGUST 21, 2018 5:30 P.M.
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT**

PRESENT:

S. David Deanda, Jr., President
Richard Hernandez, Vice President
Pete Jaramillo, Secretary
Linda Requénez, Treasurer
Catherine Garcia
Mario Garza
Dr. Armando O’Cana, Mayor served in the Mayor Position

ABSENT:

ALSO PRESENT:

Heidi Lopez, Mr. Pepe, LLC
Jose Luis Lopez, Mr. Pepe, LLC
Juan Quiroga, Mr. Pepe, LLC
Ricardo A. Perez, Pathfinder Public Affairs
Alejandro Chavez, El Cazo Guisos
Lorena Chavez, El Cazo Guisos
Maribeny Jenis, B. Veggie
Maria Fernanda Aragon, B. Veggie
Isabela Arjona, B. Veggie
Geraldo Perez

STAFF PRESENT:

Alex Meade, Chief Executive Office
Angie Vela, Finance Director
Daniel Silva, COO
Ezeiza Garcia, Assistant Finance Director
Judy Vega, Executive Assistant
Edel Garza, Accountant
David Gonzales, Accountant
Martin Garza Jr., City Manager
Janette Molina, MEDC Receptionist
Cristina Garza, Program Director
Shaine Mata, Facility Manager
Tecló Garcia, Director of Strategic Planning
& Program Development
Juan Pablo Terrazas, City Engineer

1. Call to order

With a quorum being present President S. David Deanda Jr. called the meeting to order at 5:42 p.m.

2. Approval of Minutes – July 24, 2018

There being no corrections or additions Linda Requenez moved for approval. Motion was seconded by Richard Hernandez and approved 7-0.

3. Approval of Financial Report for July 2018.

Accountant David Gonzales presented and recommended approval of the Financial Report for July 2018. Questions were made regarding on whether there would be any large expenditures for the next two months and on the status of property sales. CEO Alex Meade mentioned that the sale of properties is moving forward and that we are just waiting on the feasibility period to expire. No large expenditures are expected.

There being no corrections or additions Catherine Garcia moved for approval. Motion was seconded by Mario Garza and approved 7-0.

4. Approval of Resolution No. 2018-01, Adopting Mission EDC's FY 2018-2019 Budget.

CEO Alex Meade presented the FY 2018-2019 Budget Summary which included the following:

MEDC - Fund 21

Estimated Beginning Fund Balance – (\$582,815)

Total revenues – \$6,295,143

Total appropriations – \$5,700,992

Unreserved, undesignated fund balance – \$11,336

Projects included in Fund 21 are:

City of Mission - \$1,000,00

Texas Citrus Fiesta - \$75,000

RGV Lead - \$75,000;

Small Business Fund Programs - \$276,000;

Downtown Façade Improvement Program - \$75,000;

Rent Subsidy Program - \$25,000.

Fund 41 Debt Service

Estimated Beginning Fund Balance - \$341,679

Total Revenues – \$1,105,739

Total appropriations – \$1,147,418

Estimated Ending Fund Balance – \$300,000

Brief discussion took place regarding the budget. Mr. Meade recapped from last month's Board meeting by reminding the Board about MEDC's \$10 million in real property adjacent to the Mission Event Center that has not been sold. During the workshop last month, we said that over \$1 million had been cut from expenses, but not because we sacrificed any of our programs but rather because some of our programs were new and now we are operating on true numbers. A question was made regarding revenues at CEED. Mr. Meade said that for some tenants like Jitters Coffee Shop and the 5x5 Brewery, some arrangements were made that they would be occupying space for a few months free rent to allow them to settle in, but now that they have settled in and are generating sales, they will be paying MEDC a 10% of their monthly sales. We will also be working on marketing co-working in general, something new that is also being done at other cities, in order to attract more memberships at CEED. Another thing Mr. Meade would like to discuss later is the \$3.5 million in assets owned by the Mission Economic Development Authority (MEDA). He said that the intention has always been to dissolve the MEDA but he would like to begin transferring some of those assets to the MEDC to allow some breathing room. Another revenue is of course, tax revenues, which we already receive. He mentioned that the balance on Fund 21 was the lowest it has ever been, but that once we close on the MEDC properties, those numbers will change.

After the discussion on the proposed budget, Mario Garza moved to approve Resolution No. 2018-01 adopting the FY 2018-2019 budget and approving all projects with a noted change in the amounts requested. Motion was seconded by Pete Jaramillo and approved 7-0.

Resolution No. 2018-01

A Resolution of the Mission Economic Development Corporation (MEDC) of the City of Mission, Texas, making appropriations for the support of the Corporation for the fiscal year beginning October 1, 2018 and ending September 30, 2019; and adopting the annual budget for the 2018-2019 fiscal year.

5. Authorization to Publish a Notice of Intention to Authorize a Budget Amendment to the FY 2018-2019 Budget and schedule a Public Hearing on September 18, 2018, related to said authorization.

CEO Alex Meade said that this is regarding the loan to purchase the CEED building. He said that as we were moving forward with the closing of the loan with BBVA Compass Bank, their attorney posed a question on whether this transaction was administrative or project related? We tried working with attorneys on both sides by providing legal opinions from the Governor's Office, the Texas Comptroller's Office, and the Texas Municipal League. Every legal opinion presented indicated this was an administrative transaction; however, the opinions presented to them didn't mention the word "pledge", which created doubt on the Board's authority to pledge sales tax revenues to purchase the building without a public hearing. It would be a different scenario if we already had the funds to purchase the building, but since we don't, then the transaction needs to be treated differently with the process of issuing a notice of intention and notice of public hearing. Discussion ensued. President S. David Deanda Jr. made a question on how to avoid falling into a situation where the bank requires us to maintain a certain amount of cash in our unpledged portion in the event of a recession? COO Daniel Silva said that we can open a separate bank account within the account and then invest the funds as long as we have securities to support it. Mr. Meade said this is an attractive proposal since it comes with a fixed APR for 20 years with no lien on the building, but that he will inquire with the bank to see if they can pay interest on the funds or we can also move the funds to an interest paying account. He is requesting authorization to publish the notices.

After the discussion, Richard Hernandez moved to approve the Authorization to Publish a Notice of Intention to Authorize a Budget Amendment to the FY 2018-2019 Budget and schedule a Public Hearing on September 18, 2018, related to said authorization. Motion was seconded by Linda Requenez and approved 7-0.

6. Ruby Red Ventures Awards Presentation.

Program Director Cristina Garza introduced this item by saying that this is the sixth year that the Mission EDC has done Ruby Red Ventures and that each year it keeps growing. Ms. Garza announced the winners for this round: Marybeny Jenis, owner of BVeggie (\$10,000), a cold press juicing and healthy drink business, Ms. Jenis is at maximum production capacity at a local commercial kitchen, but with this incentive she plans on renting a place where she can produce juices every day instead of one day each week at the commercial kitchen. Alejandro Chavez, owner of El Cazo Guisos (\$15,000), a company that sells frozen low-carb, low fat Mexican meals. He plans on renting a building equipped with an industrial kitchen in Mission to upgrade their production from 6,000 meals per month to 36,000 to meet their suppliers' demands. Heidi Lopez, owner of Foods by Mr. Pepe (\$25,000), is a company that produces hot sauces, barbecue sauces, and a variety of grilling and base sauces. The incentive will be used for the design and production of a new bottle for presentation at gourmet section of grocery stores. The company sells their sauces at 12 area grocery and convenience stores.

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7. President's Comments.

None.

8. Adjournment.

Linda Requenez moved to adjourn the meeting. Motion was seconded by Mario Garza and approved 7-0. Meeting was adjourned at 6:23 p.m.

S. David Deanda, Jr., President

ATTEST:

Pete Jaramillo, Secretary