

NOTICE OF SPECIAL MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
APRIL 5, 2023 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Richard Hernandez, President
Jose G. Vargas, Vice President
Deborah Cordova, Secretary
Estella Saenz, Treasurer
Noel Salinas
Carl Davis
Mayor Norie Gonzalez Garza

ABSENT:

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Chad Young, CRI CPAs
Esmeralda Yñiguez, CRI CPAs
Aashna Khatwani, CRI CPAs
Ernesto Gonzalez, CEO, Tekna Impact LLC
Amelia Hernandez, Mgr., Tekna Impact LLC
Emilio Fuentes, Tekna Impact LLC
Tony Villarreal, Progress Times

STAFF PRESENT:

Teclo J. Garcia, Chief Executive Officer
Joel Garza, Chief Operating Officer
Stepanie Palacios, Financial Officer
Judy Vega, Executive Assistant
Blanca Davila, Director of Econ. Development
Naxiely Lopez, Director of Marketing & Comm.
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director
David Flores, Deputy City Manager
Joe Salazar, Accountant

1. Call to Order and Establish Quorum

After establishing a quorum of the Board of Directors, President Richard Hernandez called the meeting to order at 4:05 PM

2. Approval of Minutes: Meeting of March 1, 2023

Carl Davis moved for approval of the meeting minutes of March 1, 2023 as presented. Motion was seconded by Noel Salinas and approved 6-0.

3. Tekna Impact LLC Recognition

CEO Teclo J. Garcia welcomed Ernesto Gonzalez, President of Tekna Impact LLC, a company that manufactures labels, which participates in international trade, and whom the Board recently incentivized. The company is located in Mission where they have numerous jobs, and plan to hire an additional 12. Mr. Gonzalez' company has been in business for 23 years. He introduced his General Manager Amelia Hernandez and Project Manager Emilio Fuentes. Sixty percent (60%) of Tekna Impact LLC's clients are maquiladoras and in the automotive industry. In cars for example, the company produces labels for parts like seat belts, seats, shafts, gas tanks, windows, and doors. A percentage of their business also produces labels for water tanks,

medical equipment, and for the food sector including meat packaging labels as well as produce. Mr. Gonzalez presented a short video to the Board on how labels are produced. He then thanked the Board for the opportunity to introduce his company.

President Richard Hernandez called for a recess at 4:21 PM. President Richard Hernandez called the meeting back to order with a full quorum present at 4:28 PM.

4. Deliberation and possible action to approve MEDC Financial Statements & Independent Auditor's Report for fiscal year ended September 30, 2022

CEO Tecló J. Garcia introduced Chad Young, Aashna Khatwani, and Esmeralda Yñiguez, partners with Carr Riggs & Ingram CPAs, to present MEDC's Financial Statements & Independent Auditor's Report for fiscal year ended September 30, 2022

Mayor Norie Gonzalez Garza joined the meeting at 4:29 PM.

Ms. Yñiguez briefly introduced the Carr Ingram & Riggs PLLC firm and proceeded by presenting the audit report with a slide presentation, inviting her colleagues, Mr. Young and Ms. Khatwani to join her. Ms. Yñiguez said this year the firm completed MEDC's audit as well as separate single audit report, a requirement for any organization that accepts federal grants of over \$750,000. In this case, MEDC accepted an EDA grant and a Wagner Peyser grant, which amounted to \$2 million combined. The firm also provided staff with information related to a material weakness on the single audit related to contributions and their recommendation related to the material weakness. She briefly reported on capital assets and long-term debts, and reported on required communications for the Board of Directors as well as management. President Richard Hernandez asked about the material weakness on the single audit, what was it? Ms. Khatwani said that financial transactions requiring signatures were not reported to the Finance Department. The recommendation was that the Finance Department is immediately informed by MEDC staff of any financial transaction requiring signatures. Ms. Yñiguez mentioned a new upcoming standard for audit reporting, GASB Statement No. 96, which will become effective in June 2022 and will apply to MEDC's 2023 FY audit reporting. This requirement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Overall, the firm delivered a clean audit with no findings noted.

Secretary Deborah L. Cordova moved to approve MEDC Financial Statements & Independent Auditor's Report for fiscal year ended September 30, 2022. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

5. Acceptance of Financial Statements: Unadjusted Financial Statements for December 2022 and January 2023

Finance Director Angie Vela presented and recommended approval of the unadjusted financial statement for December 2022.

There being no changes or corrections, Carl Davis moved for acceptance of the unadjusted Financial Statement for December 2022 as presented. Motion was seconded by Noel Salinas and approved 7-0.

Financial Officer Stephanie Palacios presented and recommended acceptance of the unadjusted Financial Statement for January 2023.

There being no corrections or changes, Secretary Deborah L. Cordova moved for acceptance of the unadjusted financial statement for January 2023 as presented. Motion was seconded by Noel Salinas and approved 7-0.

6. Deliberation and possible action to approve Invoice #11 from the City of Mission in the amount of \$180,776.21 related to an EDA grant

Assistant Finance Director Ezeiza Garcia presented and recommended approval of Invoice #11 from the City of Mission in the amount of \$180,776.21. This invoice is related to a \$3 million grant being used for drainage improvements related to property being developed by Killam Development. Ms. Garcia briefly explained that the total maximum reimbursement was \$3,750,000. Total paid is \$2,247,402.95. Total reimbursed was \$3,066,626.74, leaving a balance of \$180,776.21, the amount of this invoice. She is requesting approval of the invoice. Carl Davis moved for the approval of Invoice #11 from the City of Mission in the amount of \$180,776.21. Motion was seconded by Mayor Norie Gonzalez Garza and approved 7-0.

7. Public Hearing: MEDC FY 2022-2023 Proposed Project Consideration concerning an economic incentive for a strategic marketing firm to be located at 801 North Bryan Road, Mission, Texas, in an amount not to exceed \$55,000 over a period of three years

At 5:10 PM, President Richard Hernandez opened the public hearing to give citizens the opportunity to comment for or against the proposed project.

At 5:12 PM, President Richard Hernandez closed the public hearing with no comments heard. A Notice of Intention to undertake the project was published on March 3, 2023. The 60-day comment period will end May 4, 2023.

At 5:13 PM, President Richard Hernandez announced that the Board was convening in closed session.

**8. Closed Session Pursuant to V.T.C.A. Gov. Code Sec. 551.001
Deliberation and possible action regarding commercial or financial information received the Mission EDC from a business prospect with which the Mission EDC is conducting economic development negotiations or with which the Mission EDC seeks to have to locate, stay, or expand operations in or near the City of Mission (as permitted under Tex. Gov't Code Sec. 551.087), including, but not limited to the following:**

A. Report from CEO as to potential prospects

Deliberation and possible action regarding the purchase, exchange, lease, or value of real property (as permitted under Tex. Gov't Code Sec. 551.072), including, but not limited to the following:

A. M.E.D.C. Land

The Mission Economic Development Corporation Board of Directors will reconvene in open session to take any actions necessary

At 5:40 PM. President Richard Hernandez announced that the Board was convening in open session.

No action was taken.

Vice President Jose G. Vargas left the meeting at 5:41 PM

9. CEO Report on Economic Activity

CEO Teclo J. Garcia reported that he recently attended the 2023 Annual Viva Fresh Expo in Grapevine, Texas, as well as COO Joel Garza, Director of Marketing & Communications Naxiely Lopez, and Director of Economic Development Blanca Davila. This year's expo was one of the largest ever held. Surrounding states and Mexico participants were there promoting their products. This expo is important because it brings together producers looking for cold storage facilities. Mr. Garcia mentioned Mission Day in Austin, which was also a successful event where meetings were held with lobbyists and state elected officials. Mr. Garcia also attended the Site Selectors Guild Annual Conference in San Antonio, where sixty of the most influential site selectors met with individuals who help the world's largest firms help find the best locations for expansions. On CEED related news, Mr. Garcia said that the Council for South Texas Economic Progress (COSTEP) has expressed an interest in leasing space at CEED and staff are assisting in finding one for them. Wayland Baptist University is leasing space at CEED where they will begin holding classes. TV Azteca was occupying space on a courtesy basis but will soon begin paying at a full rate. Texas Woman's University will also be leasing space at a full rate. Mr. Garcia informed the Board on some upcoming events as follows: RODCO will be breaking ground on a new \$6.3 million facility on April 18, 2023 at 11:00 AM; UTRGV will be holding a ribbon cutting on Wednesday, May 3, 2023 at 11:00 AM at the CEED building; and Brand Geniuz will also be doing a ribbon cutting soon but a date has not been announced. Invitations to these and other upcoming events will be sent to the Board as soon as they become available. Mr. Garcia thanked the MEDC staff for their support.

10. President Comments

President Richard Hernandez thanked the Board for their time and service. He also thanked Mission EDC staff and wished all a joyful and happy Easter holiday.

11. Adjournment

At 5:58 PM, Mayor Norie Gonzalez Garza moved to adjourn the meeting. Motion was seconded by Carl David and approved 6-0.

Richard Hernandez, President

ATTEST

Deborah L. Cordova