

NOTICE OF REGULAR MEETING, PUBLIC HEARING & WORKSHOP
MISSION ECONOMIC DEVELOPMENT CORPORATION
JULY 20, 2021 5:30 P.M.
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Pete Jaramillo, Vice President
Aissa I. Garza, Secretary
Dr. Sonia Treviño, Treasurer
Balde Morales
Mayor Armando O'Caña served in the Mayor Position

ABSENT:

S. David Deanda, Jr., President
Mario Garza

ALSO PRESENT:

Lisa Rivera, Director, Mission Chamber of Commerce
Lea Juarez, Progress Times

STAFF PRESENT:

Daniel Silva, Chief Executive Officer
Joel A. Garza, Chief Operating Officer
Judy Vega, Executive Assistant
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director
David Flores, Deputy City Manager
Jasmine Ramos, MEDC Receptionist
James Francis Love, Network Support Specialist
Joe Salazar, Accountant
Shaine Mata, Facility Manager
Daniel Rivera, Director of Programs & Marketing

1. Call to order

With a quorum being present Vice President Pete Jaramillo called the meeting to order at 5:30 p.m.

2. Approval of Minutes: June 15, 2021

There being no corrections or additions Secretary Aissa I. Garza moved for approval of the regular board meeting minutes of June 15, 2021. Motion was seconded by Balde Morales and approved 4-0.

3. Approval of Adjusted Financial Statement for June 2020.

Finance Director Angie Vela presented, and recommended approval of the Adjusted Financial Statement for the month of June 2021. Secretary Aissa I. Garza noted an error of \$4.7 million on the financials. She said that the Liabilities and Fund Balance do not match the Total Assets. Ms. Vela noted the error on the financials under Receivables, the amount shown is \$5,044.70 instead of \$4,739,989.70. Total Assets should be \$7,407,364.66 to match Liabilities and Fund Balance in the same amount.

Treasurer Dr. Sonia Treviño joined the meeting at 5:37 p.m.

Secretary Aissa I. Garza moved to table the approval of the adjusted financial statement for June 2021 due to the \$4.7 million error as it is a considerable amount. Motion was seconded by Treasurer Dr. Sonia Treviño and approved 5-0.

4. Approval of Texas Citrus Fiesta Incentive in an amount not to exceed \$18,000

CEO Daniel Silva presented this item by saying that this was a requested amount made by Texas Citrus Fiesta. A public hearing for this incentive was held on June 15, 2021. He is recommending approval of the incentive.

Balde Morales moved for the approval of Texas Citrus Fiesta Incentive in an amount not to exceed \$18,000. Motion was seconded by Secretary Aissa I. Garza and approved 5-0.

5. Approval of Budget Amendment to FY 2020-2021 Budget: Texas Citrus Fiesta 2020-2021 budget \$35,000; additional funding of \$18,000, amended budget not to exceed \$53,000

Finance Director Angie Vela presented, and recommended approval of a Budget Amendment to FY 2020-2021 Budget: Texas Citrus Fiesta 2020-2021 budget \$35,000; additional funding of \$18,000, amended budget not to exceed \$53,000.

Balde Morales moved for the approval of a Budget Amendment to FY 2020-2021 Budget. Motion was seconded by Secretary Aissa I. Garza and approved 5-0.

A notice of intention to undertake this project was published on May 21, 2021, and a public hearing was held on June 15, 2021. Public comment ends July 20, 2021.

6. Approval of The Reyna Network LLC invoice totaling \$3,750 related to EDA Project #08-79-05396 for services from June 17, 2021, to July 16, 2021

CEO Daniel Silva presented this item by saying that this was a recurring monthly invoice related to the \$3 million EDA grant for grant administration services. The grant was awarded for the purpose of drainage improvements related to the Shary Village Industrial Park Roadway & Drainage. A progress report on the project is attached for the Board's review. Mr. Silva is requesting approval of the invoice.

Secretary Aissa I. Garza moved for the approval of The Reyna Network LLC invoice totaling \$3,750 related to EDA Project #08-79-05396 for services from June 17, 2021, to July 16, 2021. Motion was seconded by Balde Morales and approved 5-0.

7. Public Hearing – MEDC FY 2021-2022 Proposed Budget

Vice President Pete Jaramillo opened the public hearing at 5:41 p.m. and asked for comments on the MEDC FY 2021-2022 proposed budget.

Texas Citrus Fiesta Director Lisa Rivera thanked the MEDC Board for the support that they have granted them and expects to have another successful year. There being no further comments, Vice President Pete Jaramillo declared the public hearing closed at 5:42 p.m.

A notice of intention to undertake these projects and notice of public hearing were published on June 18, 2021. Comment period ends August 17, 2021.

8. Workshop – discussion of proposed budget for FY 2021-2022.

- A. City of Mission
- B. Small Business Fund Programs
- C. Downtown Façade Improvements Fund
- D. Rent Subsidy Program
- E. Texas Citrus Fiesta

CEO Daniel Silva explained each request.

- A. City of Mission** – The city’s request of **\$1,000,000** will be used for the Mission Event Center debt service.
- B. Small Business Fund Programs** – Mr. Silva said he wants to continue with the Small Business Fund Programs in an amount not to exceed **\$266,000**, which includes MEDC’s Ruby Red Ventures Program, Code the Town Program, and a new Arts Program. He mentioned that a recent Memorandum of Understanding had been signed with Angel Network in order to add another year to the Ruby Red Ventures Program, which has been inactive due to the COVID-19 pandemic.
- C. Downtown Façade Improvements Fund** – Mr. Silva said he would like to continue the Downtown Façade Improvements Fund Program, in an amount not to exceed **\$50,000**.
- D. Rent Subsidy Program** – Mr. Silva said he would also like to continue the Rent Subsidy Program in an amount not to exceed **\$25,000**.
- E. Texas Citrus Fiesta** – This year’s incentive amount for the Texas Citrus Fiesta is in an amount not to exceed **\$45,000**.

Mr. Silva briefly explained the FY 2021-2022 proposed budget. Questions were made related to revenues, historical increases in sales tax, expenditures, and administration line items. On whether the increases were due to new businesses or retail sales. City Manager Randy Perez mentioned that the city’s Finance Department made a request to the Texas Comptroller of Public Accounts for specific business type of revenue reports for overall impacts. Increases were more likely due to big box retail sales rather than from smaller businesses affected by the COVID-19 pandemic. He will share the report once it is received by the comptroller’s office. Secretary Aissa I. Garza said she would like to see a long-term goal plan displaying how expenditures will tie-in to those goals. Mr. Silva proposed a series of workshops to revisit a strategic plan and reported that staff has been working on workforce development over the past five years. Secretary Aissa I. Garza questioned a \$400,000 increase in the administration line item in the proposed 2021-2022 Budget. Finance Director Angie Vela mentioned that the increase was due to retirement costs and workman’s and unemployment compensation insurance policy costs going up, along with an MEDC staff vacancy. Mr. Silva said two MEDC positions, Director of Technology, previously held by Joel A. Garza; and Director of Communications & External Affairs, previously held by Tecló Garcia, are vacant due to not backfilling. Mr. Silva said MEDC currently has 15 positions. Treasurer Dr. Sonia Treviño and Balde Morales requested a breakdown of current staff, their salaries, and a brief description of their duties. Mr. Silva said that another position will become vacant when Accountant David Gonzales retires in September 2021 and said he would like to hire someone for this position and have them work directly out of the MEDC offices to handle finance matters. City Manager Randy Perez provided a brief history on MEDA employees and their transition to the City of Mission. MEDA employees became City of Mission employees in 2011, and an Employee Lease Agreement is in place between the City of Mission and MEDC. Employees are compensated from MEDC funds but

are City of Mission employees. The Employee Lease Agreement is available to the MEDC Board upon request at their discretion. Mr. Silva said we can have an agenda item in executive session on next month's meeting to discuss personnel.

9. Tabled 06/15/2021: Discussion and possible action of the management of a special Small Business Relief Fund for the City of Mission in the amount not to exceed \$500,000.00, and naming of a Review Committee

Treasurer Dr. Sonia Treviño made a motion to bring Discussion and possible action of the management of a special Small Business Relief Fund for the City of Mission in the amount not to exceed \$500,000.00, and naming of a Review Committee off the table. Motion was seconded by Secretary Aissa I. Garza and approved 5-0.

CEO Daniel Silva recommended taking no action on this item because he understood that this fund was to be used for infrastructure improvements rather than as grants for businesses. City Manager Randy Perez said that more guidance is needed from the U.S. Dept. of Treasury on what kind of business requirements are needed to qualify; however, if the Board desires, they can still form a committee. Treasurer Dr. Sonia Treviño asked a question on whether the funds were only for infrastructure improvements. Mr. Perez said that there were different categories and Finance Director Angie Vela said assistance included grants, loans, in-kind assistance, technical assistance, or other services that responds to the negative impact of the COVID-19 pandemic. She reported that guidance from the U.S. Dept. of Treasury has not been received. With the Cares Act Relief Fund, no self-certification was allowed, so the U.S. Dept. of Treasury was asking for more documentation as proof of a negative impact. Mr. Perez said that the Review Committee can start formulating a plan of distribution of funds while we wait for a response. He also said that once the response is received, it will be made available for the Board to review. Mayor Armando O'Caña mentioned that the City's intent was to create a committee and work together with the U.S. Dept. of Treasury on those guidelines to move forward with this funding in order to make it available, first to those businesses that did not take advantage of the Cares Act Relief Fund, and second, that they are not big box businesses or national chain restaurants. Vice President Pete Jaramillo named Secretary Aissa I. Garza, Mayor Armando O'Caña, Mission Chamber President/CEO Brenda Enriquez, MEDC CEO Daniel Silva, and City Manager Randy Perez to serve on the Review Committee.

Secretary Aissa I. Garza moved to accept the naming of the following members to serve on the Review Committee: Secretary Aissa I. Garza, Mayor Armando O'Caña, Mission Chamber President/CEO Brenda Enriquez, MEDC CEO Daniel Silva, and City Manager Randy Perez. Motion was seconded by Balde Morales and approved 5-0.

10. Approval of Updated Capitalization Value

CEO Daniel Silva said that recently Mission City Council approved an increase to their asset capitalization value rate from \$250 to \$1,000 and is recommending that we increase MEDC's asset capitalization value rate to that amount as well. Secretary Aissa I. Garza said that a \$1,000 rate was low and recommended of \$2,500 or \$5,000. City Manager Perez said that when it was brought to City Council consideration, different dollar values were proposed; however, the vote was to keep it at \$1,000.

Secretary Aissa I. Garza moved for the approval of an increase to update MEDC's Capitalization Assets Value from \$250 to \$2,500. Motion was seconded by Balde Morales and approved 4-0, with Mayor Armando O'Caña against.

11. Approval of Amendment to MEDC Purchasing Policy

CEO Daniel Silva said this item ties-in with the City of Mission’s recent changes to their purchasing policy. He is recommending the following changes to MEDC’s Purchasing Policy: **Section 5.0.4** – Competitive Bids, Proposals or Qualifications – An increase from \$10,000 to \$25,000; **Section 5.3.4** – Purchase Orders exceeding \$25,000 – All purchase exceeding \$25,000 must be submitted for formal competitive procurement processes. The City of Mission’s Purchasing Department assists MEDC with any procurement processes and any purchase over \$10,000 require Board authorization. Secretary Aissa I. Garza was not in agreement with the increase because MEDC does not have the same expenses, assets, or volume on purchases as the city. The Board’s consensus was to keep the \$10,000 current threshold with no changes.

Treasurer Dr. Sonia Treviño made a motion to deny the Approval of Amendment to MEDC Purchasing Policy, with no changes to the \$10,000 current threshold on purchases. Motion was seconded by Secretary Aissa I. Garza and approved 5-0.

12. Authorization to publish Notice of Intention to Undertake a Project or Projects for FY 2021-2022 and schedule a Public Hearing for August 17, 2021, related to MEDC projects for FY 2021-2022

CEO Daniel Silva is requesting authorization to undertake a new project for FY 2021-2022. The project, Clover Hills Dentistry, will be located on Shary Road. The request is for offsite infrastructure improvements consisting of materials for a boring and a fire hydrant to bring the utilities to the operation. Questions were made related to processes used to evaluate new businesses requesting assistance, on whether the purchase of the property came with any adjustments, on the tax revenue impact this new practice will generate, and how is it comparable to others we have assisted. After brief discussion on this item, a recommendation was made that the requested amount change from \$23,490 to an amount not to exceed \$20,000 on the legal notices.

Subject to a change from the amount of \$23,490 to an amount not to exceed \$20,000 on the legal notices, Balde Morales moved for the Authorization to publish Notice of Intention to Undertake a Project or Projects for FY 2021-2022 and schedule a Public Hearing for August 17, 2021, related to MEDC projects for FY 2021-2022. Motion was seconded by Mayor Armando O’Caña and approved 5-0.

13. Vice President’s Comments.

Vice President Pete Jaramillo thanked the Board for their participation. Mayor Armando O’Caña asked for everyone to keep MEDC Board President S. David Deanda Jr. and his family in their prayers, and upon his request, any support he may need, we are here to help.

14. Adjournment.

Secretary Aissa I. Garcia moved to adjourn the meeting. Motion was seconded by Treasurer Dr. Sonia Treviño and approved 5-0. The meeting was adjourned at 7:03 p.m.

S. David Deanda, Jr., President

ATTEST:

Aissa I. Garza, Secretary