

Minutes

CITY OF MATHIS 4B ECONOMIC DEVELOPMENT CORPORATION
Regular Board Meeting
MEDC OFFICE, 111 E. SAN PATRICIO AVE.
MATHIS, TX 78368

January 8, 2019 at 6:30 p.m.

BOARD MEMBERS' BUSINESS

- | <i>Item</i> | <i>Description</i> |
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1. **Roll Call of members.**

President	Vicente Gonzalez	Present
Vice President	Charlene Brown	Present
Secretary	Pat Doherty	Present
Treasurer	Elvira Chavez	Present
Director	Michelle Herrera	Present
Director	Frank Galvan	Present
Director	Mitchel Smolik	Present
 2. **Call to order.**

Pat Doherty: We have a quorum. President calls meeting to order at 6:37 p.m.
 3. **Consider approval of minutes from December 2018 Regular Board Meetings.**

Pat motioned to approve, second by Michelle. Approved (7-0).
 4. **Review of December 2018 Financial Statements and Budget.**
 - a. **Review and Discuss cash flow of the Mathis EDC**
 - i. **Loan Status**
 - ii. **Sales Tax Report 2018**
 5. **Elvira presents financial statement and budget, Doug: We have received approval for a \$50,000.00 operating loan through 1st Community Bank, however we have not yet closed. We should have paper to sign within the next few days and should have the money in the bank by next week. We have begun a better cash flow system so we can better forecast our cash needs. The Board has authorized us to procure the loan and has authorized me to sign the loan on behalf of the Corporation.**

Sales tax by month, over the last 3 years: the City has received an average of \$1,013,000.00 a year and the EDC received \$253,000 per year. We continue to see a decline in sales tax for 2016-2018; Mathis is the only city in San Patricio showing a negative sales tax.

 - a. **Discussion of Audit services.**
 - i. **Pending data from City**

Doug: there is a stream of emails between our auditing firm, MEDC and Caron Vela with the City of Mathis, dated back to October of last year. Auditors requested documents that only the City had from the time when they were maintaining the financial records for the MEDC. They were slow getting documentation, finally the

City reported to us that they had fully complied in sending information to the auditing firm. As it turned out they only sent some of the information that was requested. The auditing firm sent multiple requests regarding the information starting back in October. I've had several conversations and emails and I have been repeatedly told when they have time, they will get to it. So, what's happening to us now is that we are continuing to be billed by the audit firm we are up to about \$13,000.00 that we have spent on the auditing firm and we still have nothing from them. I don't think the City can produce the documents that are be asked for, and if they could they would take longer than we would like. I am recommending the we send a letter to the City and give them about a week to produce the documents that are still need for the audit and if they can not do so by then we can then request a letter by January the 18th stating they can't produce the items needed. We will then submit the letter to the auditors and auditor will write it up as a finding, so we can move on and close the audit. Board agrees to have the MEDC lawyer write the letter.

b. MEDC Financial and Loan Reports.er

Loan report for all loans is complete and current. One loan is behind. Char motioned to approve financials and have the MEDC draft the letter requesting the City to provide the information needed within a week or a letter by January 18th, stating they cannot provide the information needed. Second, by Frank Galvan. Approved (7-0).

PUBLIC FORUM

Citizen Presentations from the floor.

PROCEDURE

Individuals are invited to address the Mathis Economic Development Corporation regarding their concerns. Individuals and groups are permitted Three (3) minutes to present their concerns. If a group will be presenting, the group should select a spokesperson to address the Board on the issue concerning the group. The Mathis Economic Development Corporation may not answer questions and no action on concerns expressed is permitted, except to place a consideration item on a future Agenda.

OLD BUSINESS

5. Presentation of Administrative Programs.

a. Review of Downtown Sidewalk Projects

i. Phase 1 - 200 Block. Of San Patricio Ave.

The fourth and final draw request in the matching funds that we have obligated to the City is for \$17,500.00 which will primarily pay engineering fees. Our match balance is at a hundred percent; we have no further balls to pay. The \$25,000.00 we agreed to pay to Traylor and Associates for grant administration update; we have a invoice for \$5,000.00 that will bring up our advance to \$22,500.00 that will pay the balance of \$2,500.00 which will not be due until the contract is closed.

ii. Phase II - TxDOT Alternatives Transportation Grant

The City received proposals from several engineering firms to do the designs and construction oversight for the sidewalk project that will be from 200 block down the south side to Hwy 359. When the contract is awarded it will then be turned over to TxDot, who will oversee the construction

b. Update on HWY 359 - 21 -acre project. – “The Settlement at the Ranch”

Everything is on schedule for the Tax Increment Revitalization Zone; all the items will be completed before their due dates. The participation agreement and final TARS plan won't be due until we get the final bond approval. The first five PIDS items have been completed, as of the January 11th and the 6th item, the publication notices, are coming out on Thursday. There is a copy of preliminary service and assessment plan in your packets. Sources and usage: \$1,515,000.00 is the funding for: street, water and sewer are \$10,000.00, parking lot and drainage is \$130,000.00, electrical \$43,000.00 land acquisition \$23,955.00, general requirements \$185,561.00 contingency \$64,000.00 construction engineering fees \$117,000.00 for a total of \$1,175,828.00. Capitalized interest of \$120,352.00 will fund the reserve fund \$37,875.00; paid administrative expenses and cost of issuance of \$150,000.00 and underwriter's discount \$30,300.00, total usage \$1,515,000.00 which balances with the source account. That is just for the public improvements. We have 5 or 6 potential buyers for lots/houses without doing anything. We've paid Muncipal so far \$15,000.00 and we have another \$15,000 or \$20,000.00 to go. We will be reimbursed from the bond proceeds, but we are having to pay everything up front right now. \$1.15 million will go into the 36 lots (street water and sewer, 1.175 million to build duplexes, 2 teacher houses, parking lot and things associated with that. The two bonds will total about \$3,035,000.00.

NEW BUSINESS

6. Review and Discuss

A. Discussion of Health Clinic Project

Grace Lutheran Church entered into an earnest money contract to transfer property to the Mathis EDC. Closing should be in the next 10 days. At that point the Grace Lutheran Church will transfer ownership to the EDC and will give us a \$100,000.00 contribution. Monies will be deposited into a separate account, that will be restricted. Funds can only be used for health clinic project. The contractor on the remodeling of the Sanctuary has given a preliminary estimate between \$75,000.00 - \$80,000.00. Our attorney has prepared a professional service contract that outlines the responsibilities that Dr. Acuna has with to us. A lease agreement for 3 years will provide the building equipment and furniture for which he will pay \$0 the next three years. He will be responsible for maintenance repairs, and things of that nature, as well as insurance. We will purchase the insurance on the building but he will reimburse us. At this point everything is being funded with the funds from the church fund.

B. Discussion of Board member term

Frank, Elvira and Michelle up for renewal. Applications and resumes need to be turned into the City by January 17. The City placed an ad in the newspaper for Board applications.

C. Facebook Policies

We were having issue a merchant that we weren't re-posting. We have no policy. We would like the board to give us direction on developing a policy. We should use our Facebook for economic development and not as a chamber of commerce.

D. Ribbon Cutting Ceremony for Sidewalk Project

Char and Pat will help Roxy plan with the City Secretary Mary Gonzales.

REPORTS

1. Executive Director

2. Business Retention and Recruitment

a. Update of Business Retention programs

i. Number of Business contacted

ii. Grand Openings

Currently at 99, Yolanda and Martin Rodriguez will be opening the event center next to Pizza Hut. Raymond has opened an automotive shop- Heaven's Garage.

b. Update of Business Recruitment programs

i. Number of inquirers and request for information

ii. Real Estate Development

Raymond also came in looking for a loan and we had a realtor come in wanting to speak with Doug about the Settlement at the Ranch.

7. DISCUSSION OF FUTURE AGENDA ITEMS FOR FEBUARY 2019 MEDC BOARD MEETING

Update on San Patricio EDC

8. ADJOURNMENT Motioned to Adjourn by Elvira, second by Frank (7-0).

EXECUTIVE SESSION RESERVATION

Public notice is hereby given that the Board of Directors may elect to go into closed session at any time during the meeting in order to discuss matters listed on the agenda concerning personnel, consultation with the Corporations Attorney, real estate

acquisitions, or other purposes authorized under the “Open Meetings Act.” In the event the Board of Directors elects to go into closed session regarding an agenda item; the purpose of the closed session and the section of the “Open Meetings Act” authorizing the session will be publicly announced by the presiding officer.

POSTING CERTIFICATION

I hereby certify that this public meeting agenda was posted in a public place at the Mathis EDC in the City of Mathis, Texas, in compliance with the requirements of public law for posting an agenda of all non-emergency meetings at least 72 hours prior to the call of said meeting.