

**MCALLEN DEVELOPMENT CORPORATION, INC.**  
**REGULAR MEETING**  
**December 7, 2015**

The McAllen Development Corporation convened in a Regular Meeting on **Monday, December 7, 2015** at 4:00 p.m. at McAllen City Hall, City Commission room, with the following present:

Veronica Whitacre	President
Gregory Kazen	Director
Guillermo Aguirre	Director
Robert P. Garcia	Director
Kevin Picou	Director
Mario Reyna	Director
Jose G. Gonzalez	Director

Staff:	Roel Rodriguez	City Manager
	Michelle Leftwich	Assistant City Manager
	Joe Vera	Assistant City Manager
	Kevin Pagan	City Attorney
	Victor Flores	Assistant City Attorney
	Angie Rodriguez	Budget Director
	Susan Lozano	Finance Director
	Carla Rodriguez	Grants Director
	Virginia Singleterry	Administrative Assistant

Tom Spurgeon	McCall, Parkhurst & Horton LLP
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**1. APPROVAL OF MINUTES FOR MEETING HELD ON MONDAY, JULY 20, 2015 AND BUDGET WORKSHOP HELD MONDAY, AUGUST 3, 2015.**

Mr. Guillermo Aguirre moved to approve the Minutes for meeting held on Monday, July 20, 2015 and Budget Workshop held Monday, August 3, 2015. Mr. Robert Garcia seconded the motion. The motion was unanimously approved by those present.

**2. RECEIVE AND FILE FINANCIAL REPORT FOR TWELVE MONTHS ENDING SEPTEMBER 30, 2015.**

Susan Lozano, Finance Director addressed the board and referenced the financial statement ending September 30, 2015. She reported: Due from TXDOT \$139,895.00 for the Hike & Bike Trail; Due from EDA \$32,211.00 for the South Bentsen Park; Investments from Securities \$12,012,768.00; from TEXPOOL \$2,902,443.00 with Total Assets at \$17,732,799.00; Liabilities \$3,207,090.00; Total Fund Balance \$14,525,709.00; Total Revenues \$22,469,818.00; Expenditures \$1,565,401.00 which includes VIDA and After School Program, UTPA Medical School \$2,000,000.00; Memorial Stadium Upgrade \$3,000,000.00; Hospital District Infrastructure \$4,237,918.00; Ware Road – 3 mile to 5 mile \$1,000,000.00; Total Expenditures \$23,177,843.00; Revenues over Expenditures \$708,025.00.

Mr. Guillermo Aguirre moved to receive and file financial report for twelve months ending September 30, 2015. Mr. Mario Reyna seconded the motion. The motion was unanimously approved by those present.

3. **REVIEW OF QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING SEPTEMBER 30, 2015.**

Susan Lozano, Finance Director addressed the Board and announced that the Quarterly Investment Report was approved by the Audit Committee on November 30, 2015. She reported on the Quarterly Investment Report for period ending September 30, 2015. She outlined the Tex Pool Cash at \$2.9 million; Government Securities at \$12 million; and Cash Balance at \$77,000.00.

Mr. Guillermo Aguirre moved to approve the Quarterly Investment Report for period ending September 30, 2015 as presented. Mr. Kevin Picou seconded the motion. The motion was unanimously approved by those present.

4. **CONSIDERATION AND APPROVAL OF ROLLOVER PROJECTS AS WELL AS BUDGET AMENDMENTS.**

Mr. Roy Rodriguez, City Manager addressed the Board and announced that he would be discussing projects that are being rolled over from one fiscal year to another. He referred to the Fund Balance Summary and stated that the highlighted items would be discussed.

**10<sup>th</sup> Street Medians** – had a revenue of \$1.2 million/it will be deleted/will not be needed/project has been bid and construction will begin next month/TXDOT's monies will not be needed/expense side will be discussed further on.

**Morris Park** (TX Parks & Wildlife Grant) – \$200,000.00 had been budgeted in anticipation of receiving a grant/grant was not awarded/expense side will be discussed further on/**grant will be submitted again for the new year.**

**Stadium Promotions** – \$350,000.00 was to purchase equipment needed in the stadium/\$1,100,000.00 is the new amount/expense side will be discussed further on.

**City Entry-way** – \$374,883.00/this is for new entry signs entering the main corridors of McAllen/Only \$19,380.00 of the \$200,000.00 was used so the remaining balance is being rolled over.

**Environmental & Land use Study** – \$23,750.00/originally budgeted \$100,000.00 but RFPs went out so amount was reduced to \$30,000.00/money was not spent because work commenced after September 1st so therefore amount came down.

**La Vista Project** - \$25,000.00 /This is for cost of an Environmental study for property that city is trying to purchase/Environmental assessment will be done/if city decides to purchase, this item will go before City Commission.

**Daffodil (Taylor to Ware)** – \$267,507.00/\$288,500.00 was budgeted but only \$20,933.00 was spent/this is a rollover to new fiscal year.

**Houston Median Adjustments** – \$540,000.00/this is for new monument sign (not digital) at Convention Center (Ware) plus building a new median to the main entrance of the Convention Center.

**SH 336 (10<sup>th</sup> Street, Trenton to SH107)** – \$229,000.00/\$1,217,955.00 was budgeted but was not needed so this amount will become zero/construction will commence in January.

**Taylor Road (Expressway to 2mile)** – \$838,591.00/This project was approved 2 years ago and in partnership with City of Mission/Hidalgo County/TXDOT to reconstruct Taylor Road and widen it to a minimum of four lanes/this project will be in Phases so the total cost of \$2 million will be split three ways/balance of about \$14 million will be coming from TXDOT.

**UT RGV** - \$1,162,082.00/\$5,400,000.00 million was budgeted/spent \$4,237,918.00/this is actually a rollover.

**Wichita Street rehab (Bicentennial to 10<sup>th</sup>)** - \$547,558.00/\$558,780.00 was budgeted/spent \$11,222.00/this is actually a rollover.

**Golf Course Remodeling** – \$22,178.00 / \$266,000.00 was budgeted/ spent \$243,422.00/this is rollover needed to pay it out/project has been closed out.

**Lark Recreation Center** - \$145,903.00 / budgeted \$150,000.00/ spent \$5,484.00/this is a rollover.

**Morris Park (Phase 2)** – \$31,589.00 / \$200,000.00 will not be received / \$500,000.00 was budgeted/the amount will be reduced by \$343,411.00/the amount of \$31,589.00 has already been spent on design work.

**Palmview Recreation Center** – \$159,960.00 / budgeted \$190,000.00 / spent \$41,134.00 / this is a rollover.

**Park Sports Venue** – \$135,116.00 / budgeted \$595,263.00 / spent \$460,147.00 / this is a rollover.

**Stadium Promotion (Concerts)** – \$1,100,000.00 / same as before as seen on the revenue side.

Mr. Guillermo Aguirre moved to approve the Rollover Projects as well as Budget Amendments. Mr. Joe Gonzalez seconded the motion. The motion was unanimously approved by those present.

5. **DISCUSSION ON CREATION OF NEW LOCAL GOVERNMENT CORPORATION FOR OVERSIGHT OF FUTURE TEXAS A&M CONTRACT REVENUE BONDS.**

Mr. Roy Rodriguez, City Manager briefly addressed the board and explained how the project would work. He stated that the city has worked on the Tres Lagos Project since March 2014 (TIRZ Taxing Increment Reinvestment Zone). He noted that once the TIRZ was approved, the site was also being looked at for Texas A&M.

Mr. Tom Spurgeon, Bond Counsel Representative with McCall, Parkhurst & Horton, LLP, addressed the board and referenced the attached chart in item 5. He noted that Items 5 and 6 were related in that the first was about the creation of a Development Corporation and the latter being the Development Corporation's participation in the financing. He noted

that the funds to build were coming from a local government corporation that is non-profit created by the City Commission which are used frequently to provide a financing source. He added that the Board of Directors would be a body which could possibly be the City Commission or the Development Corporation. He stated once the Corporation is formed, it actually becomes the issuer of the bonds (20-year bonds) (he referred to the chart in Item 5). He added that the first 10 years the City would keep the additional 30% from the TIRZ and the City would also keep the County's additional 33% with those numbers being reduced from years 11 through 30. At that point, the City would retain 20% and the County 23%. Mr. Spurgeon announced that the bonds would be issued sometime mid-year 2016 depending on construction schedule. In addition, he informed the Board that the request would be coming to them in the next few months and said it being somewhere about \$12.8 million. He also noted that in 2019, the semi-annual debt service amount would be approximately \$650,000.00 and the amounts dropping each year thereafter.

Michelle Leftwich, Assistant City Manager added that the numbers projected were done before Texas A&M were added into this mix. This would ensure conservative projections that would be an added safety factor in hitting projections.

No action required.

**6. DISCUSSION OF DEVELOPMENT CORPORATION'S PARTICIPATION WITH CONTRACT REVENUE BONDS.**

This item was addressed concurrently with #5.

No action required.

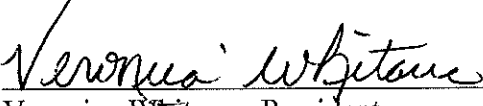
**7. DISCUSSION AND POSSIBLE ACTION – CDBG BOARD REVIEW ON SOCIAL SERVICE AGENCY BUDGET ITEMS.**

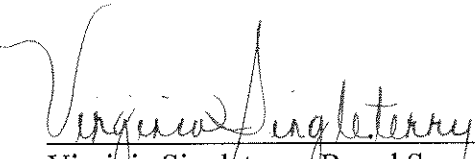
Michelle Leftwich, Assistant City Manager addressed the Board and announced this was an informational item. She informed the Board that the Mayor requested the CDBG Board review all social service entities that receive city funds and make recommendations to the appropriate entity about future funding levels. She added that CDBG would act as the "clearing house" to better track duplication of services by multiple entities, or a single agency receiving funds from multiple sources for similar programs. This would include adding the agencies that are currently requesting funding through the Development Corporation of McAllen and through the general fund. CDBG Board would then screen the projects and make their recommendations to the Development Corporation.

No action required.

ADJOURNMENT

There being no other business to come before the board, Mr. Robert Garcia moved to adjourn the meeting. Mr. Guillermo Aguirre seconded the motion. The meeting was unanimously adjourned at 4:53 p.m.

  
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Veronica Whitacre, President

  
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Virginia Singleterry, Board Secretary