

MCALLEN DEVELOPMENT CORPORATION, INC.

July 18, 2016

The McAllen Development Corporation convened in a Regular Meeting on **Monday, July 18, 2016** at 3:00 p.m. at McAllen City Hall, City Commission room, with the following present:

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|---------------|-----------------------|--------------------------|
| | Veronica Whitacre | President |
| | Gregory Kazen | Director |
| | Guillermo Aguirre | Director |
| | Tony Sanchez | Director |
| | Mario Reyna | Director |
| Absent: | Robert P. Garcia | Director |
| | Jose G. Gonzalez | Director |
| Staff: | Roel Rodriguez | City Manager |
| | Michelle Leftwich | Assistant City Manager |
| | Joe Vera | Assistant City Manager |
| | Victor Flores | Assistant City Attorney |
| | Angie Rodriguez | Budget Director |
| | Susan Lozano | Finance Director |
| | Carla Rodriguez | Grants Director |
| | Maria Piedad Martinez | CDBG Director |
| | Virginia Singleterry | Administrative Assistant |
| Also present: | Karen Valdez | CDBG Chairperson |
| | Diana Craig | CDBG Secretary |
| | Erik Diaz | CDBG Member |
| | Alfredo Montanaro | CDBG Member |
| | Steve Muenich | CDBG Member |
| | Eduardo Suarez, Jr. | CDBG Member |

1. ELECTION OF OFFICERS

City Manager Roy Rodriguez reported that according to the Articles of Incorporation and By-Laws, the officers of the Board should consist of the President, Vice President, Secretary and Treasurer. He stated that although Commissioner Whitacre was recognized as President, it was important that an election take place for a President and Vice-President. He added that in case of the President's absence, the Vice-President would then take over.

At this time the floor was open for nominations. Mr. Mario Reyna nominated Veronica Whitacre as President and Tony Sanchez as Vice-President. The floor was now closed for nominations.

Mr. Mario Reyna moved to elect Veronica Whitacre as President and Tony Sanchez as Vice-President. Mr. Greg Kazen seconded the motion. The motion carried unanimously by those present.

City Manager Roy Rodriguez suggested that election of a Secretary and Treasurer should be placed on the agenda for a later date.

2. APPROVAL OF MINUTES FOR REGULAR MEETING HELD ON MONDAY, DECEMBER 7, 2015 AND SPECIAL MEETING HELD ON TUESDAY, MARCH 8, 2016.

Mr. Mario Reyna moved to approve the minutes for the regular meeting held Monday, December 7, 2015 and Special meeting held on Tuesday, March 8, 2016. Mr. Tony Sanchez seconded the motion. The motion carried unanimously by those present.

3. RECEIVE AND FILE FINANCIAL REPORT FOR EIGHT MONTHS ENDING MAY 31, 2016.

Susan Lozano, Finance Director referenced the financial statement ending May 31, 2016. She reported Texpool at \$3,786,311; Investment Securities at \$7,001,345; Accounts Receivable at \$1,092,861 with Total Assets at \$12,473,436; Liabilities at \$100,274 with a total of \$12,473,436. She noted that the City was 7% under budget with Sales Tax Revenues at \$10,320,408 but that would increase with the Games of Texas event coming up. Total Revenues at \$11,674,604; Affordable Homes was paid out at \$576,745; Ending Fund Balance at \$12,373,163.

Mr. Mario Reyna moved to approve the Financial Report for eight months ending May 31, 2016. Mr. Guillermo Aguirre seconded the motion. The motion carried unanimously by those present.

4. REVIEW OF QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING MARCH 31, 2016.

Susan Lozano, Finance Director referenced the Quarterly Investment Report for period ending March 31, 2016. She referred to the Development Corporation accounts under Tab C. She reported Tex Pool Cash at \$1,785,111; Government Securities at \$7,751,184, with Total Holdings at \$9,545,596.

Mr. Greg Kazen moved to approve the Financial Report for eight months ending May 31, 2016. Mr. Tony Sanchez seconded the motion. The motion carried unanimously by those present.

5. PRESENTATION OF 2016/2017 BUDGET REQUESTS FROM OUTSIDE AGENCIES

City Manager Roy Rodriguez addressed the Board and informed them that a summary sheet was handed out with the recommendations from the CDBG Board. He explained that this year the City Commission had requested that the CDBG board review the funding requests from the agencies and also hear their presentations. At this time, he announced that Karen Valdez, CDBG Board President was present and would address the Board.

At this time Ms. Valdez summarized their recommendations to the board. She informed the Board that they had met with a representative of each agency and carefully reviewed

each funding application resulting in all members of the CDBG Board agreeing on the recommended amounts. At this time, she briefed the Board on each recommendation.

Mr. Willie Aguirre expressed his concerns with the amounts recommended for El Milagro Clinic as well as Vida. In addition, he inquired as to why the Comfort House had not been recommended for funding. Ms. Valdez briefly explained their funding recommendations for these agencies to Mr. Aguirre.

(1) Affordable Homes of South Texas, Inc.

Mr. Robert Calvillo, Executive Director addressed the Board and noted that their request for funding is \$600,000.00 which was a match to their CDBG allocation. He added that the CDBG board's recommendation was reduced by \$52,000.00 and yet they understood but this however would exclude two units from the funding. He noted that they would attempt to find the funds for these two units elsewhere.

No action required

(2) City of McAllen Imagine Tomorrow

Code Enforcement Analyst, Mr. Cesar Rodriguez addressed the Board and referenced the brochures that were distributed to the members. He stated that they have a partnership with Affordable Homes of South Texas to replace substandard structures that are occupied. He added that the homes are vacated then tagged and the city offers free roll-off containers to the homeowner. Mr. Rodriguez also noted that in some cases Affordable Homes or investors come in and do a full demolition and build a new structure. He informed the Board that this program has been highly successful since 2013 when it began. Their request for funding was in the amount of \$300,000.00.

No action required

(3) LiftFund, Inc.

Ms. Marlene Rodriguez, Loan Officer addressed the Board. She informed the Board that their funding request had originally been \$290,000 but was amended to add \$200,000. She briefed the Board with a short history of their organization adding that all loans have a zero percent interest rate. Furthermore, she disclosed that all funds they received had been exhausted but they still had many applications that needed to be processed. She added that in 2015, 38 small businesses were given loans ranging anywhere from \$500.00 to \$250,000.00. Their request for funding was in the amount of \$490,000.00.

No action required

(4) COPC (El Milagro Clinic)

Ms. Grace Lawson, Executive Director addressed the Board accompanied by Father Jerry. Ms. Lawson briefly discussed the funding she has received in the past from the

Development Corporation. In addition, she gave a brief overview of the services provided by the Clinic.

Father Jerry addressed the Board and gave a brief history of the sales tax ballot that took place in the 1997 election. He added that the clinic used to receive \$500,000.00 and each year the amount has diminished. He advised the board of the ½ cent sales tax being collected and what the purpose of it was supposed to be for.

Ms. Lawson made the board aware of the funding the clinic receives from other agencies. Discussion ensued between the Board members, Ms. Lawson, and Father Jerry. It was mentioned that 75-100 patients are seen on a daily basis and that the requested funding will probably be used for Professional Services. Their request for funding was in the amount of \$775,000.00.

No action required

At this time, Assistant City Attorney Victor Flores announced to President Whitacre that she would have to recuse herself from the next item on the agenda due to a conflict. President Whitacre acknowledged she had a Conflict of Interest with said item and would abstain from discussion on said matter. Subsequently, she filed a Conflict of Interest form with the Board Secretary. Vice President Tony Sanchez presided and all questions were directed to him.

(5) Comfort House

Ms. Lyana Benavidez addressed the Board. Ms. Benavidez briefed them on the history of the agency and mentioned services that are provided by Comfort House, a ten bed facility that serves many patients. She reported that this is the first time requesting funds from the Development Corporation. She informed the board that with the funds allotted to them, they could purchase items that were needed including hiring a much needed bookkeeper. Their request for funding was in the amount of \$59,346.00.

No action required

(6) Retail & Business Development

City Manager Roy Rodriguez announced to the Board that Rebecca Olaguibel, Director of Retail and Business Development was not present to address the Board.

He informed the Board that the program is in it's third year making it the third year that funding is requested from the Development Corporation. He added that the City attends the ICSC conferences which promote retail recruitment on a national and state primary level. Mr. Rodriguez also noted that the Mayor wants to look into expanding the department which only has one person at the moment. Their request for funding was in the amount of \$150,000.00.

No action required

(7) VIDA

Mayra Garcia, Executive Director addressed the Board accompanied by Eddie Anaya, Chairman of their board.

Ms. Garcia gave a brief explanation of the VIDA program. She also pointed out the different types of training that is available through the VIDA program. She informed the Board of the percentage of McAllen residents being served by the program although they serve people from other cities as well. In addition, she added that the program was specifically for helping the low income and unemployed as well as assisting residents in obtaining the necessary job skills to secure a high skilled wage job. Ms. Garcia added that they work in close partnership with South Texas College as well as other entities to supply job training skills for these individuals. Their request for funding was in the amount of \$902,000.00.

No action required

(8) South Texas College – No one was present to represent STC. Said item was not addressed.

(9) Boys & Girls Club of McAllen, Inc.

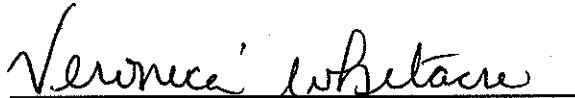
Ms. Dalinda G. Alcantar, Chief Professional Officer and Jessica Solis, Director of Operations addressed the Board. Ms. Alcantar stated that their funding request was to cover four satellite sites which includes Roosevelt Elementary, Brown, Travis, and Lincoln Middle Schools, which serve about 500 students. She also added that all of the students at these sites are considered at risk. Their request for funding was in the amount of \$183,732.00.

No action required

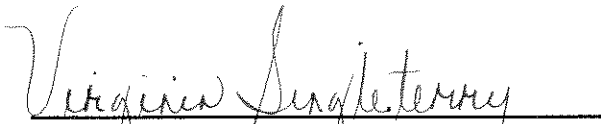
At this time, President Whitacre turned over the remainder of the meeting to Vice President Sanchez.

ADJOURNMENT

There being no other business to come before the board, Mr. Greg Kazen moved to adjourn the meeting. Mr. Mario Reyna seconded the motion. The meeting was unanimously adjourned at 4:05 p.m.



Veronica Whitacre, President



Virginia Singleterry, TMRC
Board Secretary