

**DEVELOPMENT CORPORATION OF MCALLEN, INC.
WEDNESDAY, APRIL 11, 2018**

The Development Corporation of McAllen, Inc. convened in a Workshop on **Wednesday, April 11, 2018** at 11:30 a.m. with the following present:

	Jim Darling	Mayor
	Elva Cerda	Director
	Miles Mullin	Director
	Olivia Tamez	Director
	Joaquin Zamora	City Commissioner
Absent:	Jose Gonzalez	Director
	Tony Sanchez	Vice-President
Staff:	Roel Rodriguez	City Manager
	Michelle Rivera	Assistant City Manager
	Susan Lozano	Director of Finance
	Angie Rodriguez	Budget Director
	Gary Henrichson	Deputy City Attorney
	Carla Rodriguez	Grant Director/Development Corporation Board Liaison
	Virginia Singleterry	Administrative Assistant

1. Discussion: Overview of 4A/4B Statutes and ByLaws.

City Manager Roy Rodriguez welcomed the Directors and thanked them for their attendance. He then turned it over to Deputy City Attorney, Gary Henrichson, to present the 4A/4B detail, purpose and information.

Mr. Henrichson stated that two types of corporations existed, 4A and 4B. He reported that the Development Corporation of McAllen, Inc. was a 4B corporation and briefed the Board on the differences. Mr. Henrichson went on to discuss the following:

Projects: Types of projects and their most common purpose is to create jobs.

Procedural Requirements: The requirements needed to expend funds.

Directors: There are seven members and must be residents of McAllen, serve two-year terms and no one may serve more than two consecutive terms.

General Powers: Expend tax proceeds, make loans, sue and be sued, etc.

Performance Agreement: Expenditure of funds must be made pursuant to a contract.

Oversight & Reporting: City basically has authority over the Development Corporation by approving programs and expenditures, reviewing financial statements, having access to

books and records, can change structure, organization, programs or activities, and Corporation must submit an annual report to the State Comptroller.

2. Discussion and Review of Original Ballot.

City Manager Roy Rodriguez summarized the history of the original ballot which was passed in 1997. He informed the Board that streets and drainage projects were very popular plus touched briefly on projects that do and do not create jobs. He provided the Board with a few examples.

3. Review of FY 2017-2018 Budget and take action on Budget Amendment.

Mr. Rodriguez addressed the Board and went over the current FY 2017-2018 budget provided in their packets (Tab 3). He advised the Directors that there were seven grant-awarded drainage projects that had been approved through FEMA which would be a 75/25 match. He further informed the Board that these projects were tied to a disaster declaration which meant that the County declared our area a disaster after the crisis situation, then the Governor's office declares the State of Emergency, which then makes funding available to jurisdictions.

Mayor Darling reminded the Directors that the Community Development Block Grant (CDBG) Board was now overseeing the application review process for agencies applying for Development Corporation funding. He also informed the Board that they may attend the meetings between the CD Board and agencies seeking funding for FY 2018-2019, which would help ensure a more streamlined process during the Development Corporation's budget meeting when allocations are being recommended for the upcoming fiscal year.

Director Cerda requested a summary of all 380 Agreements plus a breakdown on transfers out to the General Fund. Director Cerda questioned if these agreements are tracked. Assistant City Manager Michelle Rivera advised that the McAllen Economic Development Corporation tracks all information, then forwards to the City all documentation for review and payment.

Director Cerda also inquired about parade sponsorships and whether all sponsorships had been paid. Mr. Rodriguez briefly explained to the Board about sponsorships and the fact that not all were the same. He informed the Directors that contracts are in place but the City may not get payment up front.

Directors Cerda and Tamez requested detail regarding pending parade sponsorships and recommended that all sponsorship commitments be collected prior to the parade. Director Mullin then mentioned that if sponsors do not pay before, that the probability of them paying later decreases.

Mr. Rodriguez agreed to provide the Board with detail on the 380 Agreements, transfers out to the General Fund and status of parade sponsorship detail.

Director Mullin requested parade statistics about the economic impact report UTRGV released as related to McAllen's annual parade and what it generates, specifically, what methodology they used to provide the economic impact figures. Mr. Rodriguez indicated

that this was a question directly for UTRGV officials. He advised that he could bring them in to provide a presentation of this information to the Development Corporation Board.

Mr. Rodriguez informed the Board that the next half of this item (MxLan) was to be presented by President & CEO Steve Ahlenius of the McAllen Chamber of Commerce. He added that Mr. Ahlenius's request for funding is for \$65,000 but since he was not present, no discussion would be held and there would be no action on the Budget Amendment. He advised that Mr. Ahlenius would approach the Board at a later date.

Ms. Cerda suggested that an Entertainment Committee be formed to discuss city-wide special events to ensure no duplication of effort and improved sponsorship planning, as she noted that organizations' budgets are taxed with so many different events.

Mr. Rodriguez responded that the City has established the Gang of Eight, which consists of the McAllen Chamber of Commerce, the McAllen Economic Development Corporation and various City Departments who budget funds for marketing to different areas of industry to attract visitors to the McAllen area.

4. Discussion and Review of Non-Profit Agencies funded by Development Corporation of McAllen, Inc.

Mr. Rodriguez addressed the Board and explained that the Development Corporation does fund several agencies and referred to the attachment provided in their packets (Tab 4). He mentioned that a few were city-related agencies and named the three as the Boys & Girls Club of McAllen, International Museum of Art and Science, and the McAllen Heritage Center, as the City owns the downtown building the museum resides within.

Mr. Rodriguez then informed the Board of the funding process involving the CD Advisory Board. Directors Cerda, Mullin and Tamez, including Commissioner Zamora, requested that they be a part of the vetting process for all Development Corporation funded agencies, beginning in the 2018-2019 budget cycle.

Additionally, Director Cerda requested the application information package that the CDBG staff assembles after receipt from agencies. Referring to the packet document, Director Mullin requested that a column be included that read Development Corporation Board Recommendation, directly after CD Board Recommendation. He explained that this would show the City Commission that the Development Corporation had also reviewed the agency requests and made its recommendation for funding.

Mr. Rodriguez agreed to provide requests.

5. Discussion: Board Dynamics

City Manager Roy Rodriguez briefly discussed this item with members. He informed the Board that they were important and in making the Development Corporation budget decisions, and that a majority was needed. He added that they could also question things such as amounts and request further information or discuss items as needed.

At this time Director Cerda stated that during the last budget meeting before she was a Board member, she was in the audience, and noted that there seemed to be confusion during the items, as a motion was made and then motions failed.

Director Mullin then mentioned that agencies should be told to send one person to the meeting instead of bringing many people with them. Director Cerda mentioned that the meetings are open to the public.

Director Mullin suggested that the agencies be allotted time to speak but after that they could leave and let the Board discuss the funding request in more detail.

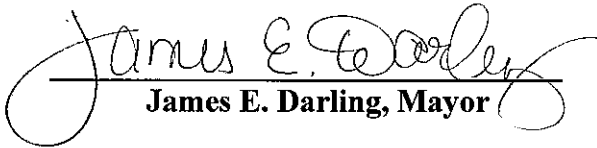
Director Cerda reiterated her request of the 380 Agreements breakdown and status. Assistant City Manager Rivera informed her that the Board would be provided this information.

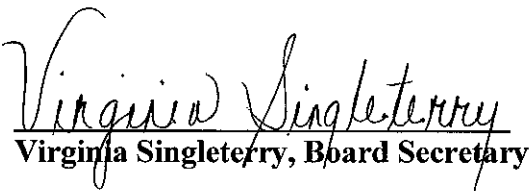
Mr. Rodriguez asked the Board if they had any other concerns or needed clarification on any items discussed. He told the Directors that he hoped the workshop and information provided to them was helpful and if necessary, future workshops would be held at the Directors' request. The Board then suggested that future workshops become a standard.

Director Cerda also asked Mr. Rodriguez about possible training for Development Corporation Board members. He indicated that there is a mandatory training that he could send Directors to.

ADJOURNMENT

The Development Corporation of McAllen, Inc. workshop was adjourned at 1:20 p.m.


James E. Darling, Mayor


Virginia Singleterry, Board Secretary