

**MINUTES OF PROCEEDINGS
REGULAR MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, OCTOBER 4, 2012**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) met in regular session on **Thursday, October 4, 2012, at 6:30 PM**, in the City Commission Meeting Room, 115 East Commercial Avenue, La Feria, Texas 78559. The purpose of said meeting was to consider and take action on such business as was duly posted by agenda in accordance with State Open Meetings Law. The following Board Members were present at said meeting:

	Mr. Brad Shields	President
	Mr. Ignacio A. Garcia Galvez	Board Member
	Mr. Steven Salinas	Board Member
Absent:	Mr. Victor Gomez	Board Member
	Mr. Steve Brewer	Mayor/Ex-Officio Board Member
Staff present:	Mr. Sunny K. Philip	City Manager/Executive Director
	Mr. Richard S. Talbert	LFIDC Attorney
	Ms. Maria Chavero	Finance Director
	Ms. Olga Oberwetter	City Secretary

There were no other persons present at this meeting.

At 6:35 P.M., Board President Mr. Brad Shields led everyone present in reciting the Pledge of Allegiance to the Flag of the United States of America. He then declared that a quorum of the LFIDC Board was present and called the meeting to order.

REVIEW AND APPROVE MINUTES OF PROCEEDINGS OF THE PREVIOUS SPECIAL MEETING OF THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC) HELD ON THURSDAY, AUGUST 30, 2012

After review of the minutes, Mr. Ignacio A. Garcia Galvez moved to approve the minutes of proceedings of the previous special meeting of the La Feria Industrial Development Corporation (LFIDC) held on Thursday, August 30, 2012. Mr. Steven Salinas seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

MONTHLY FINANCIAL REPORTS FOR THE MONTHS OF AUGUST AND SEPTEMBER 2012

Finance Director Ms. Maria Chavero reviewed the financial reports for the months of August and September 2012. She reviewed the budget versus actual figures for the month of August and then reviewed both the month and the year-to-date figures for the month of September. Ms. Chavero said September is the end of the fiscal year. City Manager/Executive Director Sunny K. Philip explained that the year-to-date figures show a negative, however, that is due to the debt retirement of \$605,552. Ms. Chavero also

reviewed the Analysis of Current IDC Sales Tax Collection Report, which reflected an average of \$20,908.56 per month. She then reviewed the Sales and Use Tax Comparison Summary, which reflected an increase of 7.87% year-to-date over last year. After review, Board President Mr. Brad Shields announced that the reports would be filed for audit.

**REVIEW AND DISCUSS PROPOSED USE OF THE INTERMEDIARY
RELENDING PROGRAM (IRP) LOAN FUND AWARDED BY THE UNITED
STATES DEPARTMENT OF AGRICULTURE – RURAL DEVELOPMENT**

City Manager/Executive Director Sunny K. Philip explained the different programs offered by the LFIDC. The Rural Business Enterprise Grant (RBEG) can be loaned in its entirety to one business, whereas, the Intermediary Relending Program Grant (IRP) can be loaned out in minimum amounts of \$10,000 up to a maximum of \$150,000. Mr. Philip said the IRP Loan Grant awarded to the City by the USDA in the amount of \$400,000 comes with an additional responsibility and that is that if the LFIDC loans the money to a business and they go under, the LFIDC is responsible to pay back the money to the USDA. When a business submits an application, it will be reviewed by the loan committee and they will make a decision to recommend approval to the LFIDC. The IRP loan does not require job creation; however, the LFIDC's goal is to promote economic development and will continue to do its part in achieving that goal. There was no action needed on this item.

**CONSIDER AND TAKE ACTION TO APPROVE THE RLF/IRP BUDGET FOR
FY 2012-2013**

The LFIDC RBEG and IRP RLF Program Budget was presented at the meeting. City Manager/Executive Director Sunny K. Philip explained the following:

SOURCES

Beginning Balance of Funds FYE 2013	\$124,677
IRP Loan	\$400,000
Proceeds from Loan Advances	91,167
Ending Balance FYE 2013	\$615,844

PROPOSED USES

Administration Expenses	\$ 36,000
Loan Advances	\$ 500,000
Total Disbursements	\$ 536,000

Funds Available at FYE 2013 \$ 79,844

Mr. Steven Salinas moved to approve the RLF/IRP Budget for FY 2012-2013. Mr. Ignacio A. Garcia Galvez seconded the motion, and the motion carried by unanimous vote of the board members present.

CONSIDER AND TAKE ACTION TO AUTHORIZE THE LFIDC EXECUTIVE DIRECTOR TO MAKE DECISIONS ON ALLOWING INTEREST PAYMENT ONLY ON REVOLVING LOAN FUND ACCOUNTS NOT TO EXCEED 90 DAYS, AND THAT IF THE TIME REQUIRED WOULD BE MORE THAN THAT, THE ITEM WOULD REQUIRE BOARD APPROVAL

City Manager/Executive Director Sunny K. Philip said that at a previous meeting this item was discussed. The Board approved a three month relief for a business at a past meeting and discussion was held then to authorize the Executive Director to make that type of a decision if needed. This would be something that the Executive Director would consider on a case by case basis, and the Board would be advised of any action taken. Mr. Ignacio A. Garcia Galvez moved to authorize the LFIDC Executive Director to make decisions on allowing interest payment only on Revolving Loan Fund Accounts not to exceed 90 days, and that if the time required would be more than that, the item would require Board approval. Mr. Steven Salinas seconded the motion, and the motion carried by unanimous vote of the board members present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY PROFESSIONAL SERVICE CONTRACT BETWEEN THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC) AND REYNA & ASSOCIATES FOR GRANT CONTRACT AND ECONOMIC AND COMMUNITY DEVELOPMENT PROJECTS

City Manager/Executive Director Sunny K. Philip discussed the contract included in the board members' packet. Mr. Ignacio A. Garcia Galvez move to approve the professional service contract between the La Feria Industrial Development Corporation (LFIDC) and Reyna & Associates for Grant Contract and Economic and Community Development Projects and to authorize the President of the LFIDC to execute the contract. Mr. Steven Salinas seconded the motion, and the motion carried by unanimous vote of the board members present.

EXECUTIVE (CLOSED) SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETING LAWS, CHAPTER 551, GOVERNMENT CODE, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN SECTION 551.072 TO DISCUSS THE PROPOSED ACQUISITION/SALE/LEASE OF REAL ESTATE BY THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION AND SECTION 551.087 TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS

There was no executive session held.

CONSIDER AND TAKE ACTION DEEMED NECESSARY AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS

There was no action needed since there was no executive session held.

PUBLIC COMMENTS

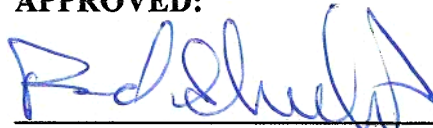
Board President Mr. Brad Shields declared the public comment session open. No one signed up to speak before the board, so Mr. Shields declared the public comment session closed.

ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Steven Salinas moved to adjourn the meeting. Mr. Ignacio A. Garcia Galvez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

ADJOURNMENT

Board President Mr. Brad Shields adjourned the meeting at 7:20 P.M.

APPROVED:

Brad Shields, President

ATTEST:

**Sunny K. Philip
City Manager/Executive Director**

These minutes were prepared and filed with the City of La Feria as official record of the City of La Feria and the La Feria Industrial Development Corporation at 1:30 PM on Tuesday, October 31, 2012.



**Sunny K. Philip
City Manager/Executive Director**