

**MINUTES OF PROCEEDINGS
SPECIAL MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, AUGUST 30, 2012**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) met in special session on Thursday, August 30, 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:

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| | Mr. Brad Shields | President |
| | Mr. Victor Gomez | Board Member |
| | Mr. Ignacio A. Garcia Galvez | Board Member |
| | Mr. Steven Salinas | Board Member |
| Absent: | Ms. Norma Alaniz | Secretary/Treasurer |
| | Mr. Steve Brewer | Mayor/Ex-Officio Board Member |
| Staff present: | Mr. Sunny K. Philip | City Manager/Executive Director |
| | Ms. Irene Szedlmayer | Planning and Community Dev. Dir. |
| | Ms. Maria Chavero | Finance Director |
| | Ms. Paula Rodriguez | Capital Projects Coordinator |
| | 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.

ADMINISTER OATH OF OFFICE TO NEW BOARD MEMBER STEVEN SALINAS

City Manager/Executive Director Mr. Sunny K. Philip said Mr. Steven Salinas was appointed to the board by the City Commission (August 14, 2012) to replace Mr. Arturo Martinez who resigned earlier in the year. Mr. Philip said City Secretary/Human Resource Director Ms. Olga Oberwetter is also a Notary Public and as such, she would administer the oath of office to Mr. Salinas. Ms. Oberwetter administered the oath of office to Mr. Salinas, after which he took his seat on the Board.

REVIEW AND APPROVE MINUTES OF PROCEEDINGS OF THE PREVIOUS REGULAR MEETING OF THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC) HELD ON THURSDAY, AUGUST 2, 2012

After review of the minutes, Mr. Ignacio A. Garcia Galvez moved to approve the minutes of proceedings of the previous regular meeting of the La Feria Industrial Development Corporation (LFIDC) held on Thursday, August 2, 2012. Mr. Victor Gomez seconded

the motion, and the motion carried by unanimous vote of the LFIDC board members present.

MONTHLY FINANCIAL REPORTS FOR THE MONTH OF JULY 2012

Finance Director Ms. Maria Chavero reviewed the financial reports for the month of July 2012. She reviewed the budget versus actual figures and year-to-date figures for the month. Ms. Chavero said the LFIDC revenues show a large gain due to the sale of the Grain Elevator land and sale of part of the Lion's Villa property. She said the notes on these properties were paid off reducing the debt retirement. Ms. Chavero also reviewed the Analysis of Current IDC Sales Tax Collection Report, which reflected a slight increase over last year's period and an average of \$21,164.61 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.

CONSIDER AND TAKE ACTION TO APPROVE BUDGET AMENDMENT FOR FY 2011-2012

Finance Director Ms. Maria Chavero explained the budget amendment for fiscal year 2011-2012. The revenues were amended by (\$37,897) and the expenditures were amended by \$408,123. City Manager/Executive Director Mr. Sunny K. Philip explained for the benefit of the new board member, that the LFIDC is a non-profit corporation and the financial reports are prepared as a combined document that shows the profit and loss and cash flow. Mr. Philip explained that the negative figure on the bottom line was due to the payments made to reduce the debt. After review and all questions answered, Mr. Ignacio A. Garcia Galvez moved to approve the budget amendment for fiscal year 2011-2012. Mr. Victor Gomez seconded the motion, and the motion carried by unanimous vote of the board members present.

BUDGET WORKSHOP FOR LFIDC FOR FY 2012-2013

Finance Director Ms. Maria Chavero said that even though the sales tax is showing an increase right now, the proposed budget is based on a conservative estimate. Staff is hoping to lease out the vacant properties and generate some income from that. Ms. Chavero explained the budgeted amounts by line item. She also reviewed the list of all the properties owned by the LFIDC and the debt retirement. Mr. Philip explained the grants received by the LFIDC which are strictly used for loans to local businesses, such as the Rural Business Enterprise Grant (RBEG) and the Intermediary Relending Program (IRP). He also announced that the LFIDC had been notified by the USDA that they had approved a \$400,000 IRP loan for lending to local businesses. There was no action necessary as a result of this workshop.

CONSIDER AND TAKE ACTION TO APPROVE THE LFIDC BUDGET FOR FY 2012-2013

The proposed revenues for the Budget FY 2012-2013 were \$788,470 and the proposed expenditures were \$665,915. Mr. Ignacio A. Garcia Galvez moved to approve the LFIDC Budget for FY 2012-2013. Mr. Victor Gomez seconded the motion, and the motion carried by unanimous vote of the board members present.

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

City Manager/Executive Director Mr. Sunny K. Philip said this item was not ready for consideration at tonight's meeting and asked that this be tabled. Mr. Victor Gomez moved to table this item. 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

Board President Mr. Brad Shields declared the meeting in executive session at 7:12 P.M. After executive session, Mr. Shields declared the meeting back in open session at 7:39 P.M.

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

Board President Mr. Brad Shields said there were two actions to be taken as a result of the executive session.

1. Mr. Victor Gomez moved to approve the lease of the property located at 100 South Main Street, La Feria, Texas with Dr. Javier Trevino at \$1,750.00 a month, allowing the first two (2) months period free of charge so that he could use that amount to make improvements to the interior of the building. Steven Salinas seconded the motion, and the motion carried by unanimous vote of the board members present.
2. Mr. Victor Gomez moved to approve the lease of the property located at 121 W. Oleander Street, La Feria, Texas with the La Feria Vision Center, PA for \$1,000.00 a month with 2 months free for them to make improvements on the interior of the building. Mr. Steven Salinas seconded the motion and the motion carried by unanimous vote of the board members present.

City Manager/Executive Director Mr. Sunny K. Philip reported that Medicine Chest has not requested a permit for construction yet. He also reported that Therapy Junction purchased the property they were leasing from the LFIDC.

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.

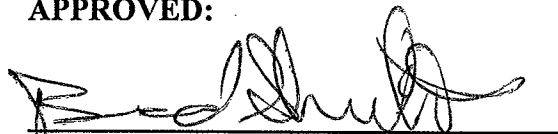
ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Ignacio A. Garcia Galvez moved to adjourn the meeting. Mr. Victor Gomez 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 7:43 P.M.

APPROVED:



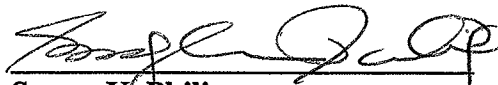
Brad Shields, President

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 8:30 AM on Tuesday, October 2, 2012.



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