



**MINUTES OF THE MEETING OF THE
LEON VALLEY ECONOMIC DEVELOPMENT CORPORATION
Wednesday, October 1, 2014**

I. Call to Order and Determine If Quorum is Present

Board President Stephen Ynostrosa called the meeting to order at 6:36 p.m. Board Vice President Claude Guerra, Board Secretary David Gannon, Board Member Rudy Garcia and Board Member Joe Sanchez were present, constituting a quorum. Board Treasurer McCarley and Board Member Georgia Zannaras were excused. Board Attorney Peña was absent. Also in attendance was Staff Liaison Claudia Mora, acting as recording secretary.

II. Citizens to be Heard

There were none.

III. Consider LVEDC Minutes – August 27, 2014

Staff Liaison Mora reported that changes had been made earlier in the day as a board member identified a correction needed. Board Member Garcia noted that "Councilman Garcia" should read as "Councilman Diaz". Board Secretary Gannon moved to approve the minutes for August 27th as changed. Board Member Garcia seconded the motion. The motion carried by voice vote.

IV. Financial Report by LVEDC Treasurer and Consideration

In Board Treasurer McCarley's absence, Ms. Mora presented the report. She noted that the information reported was gathered and submitted by Mr. McCarley. Since the Board Treasurer's visit to the bank to get current balances, there were no checks processed. Checking account balance was \$61,700.24; this included a \$50,000 transfer made on September 9, 2014. The balance in the money market account was \$583,878.26. The total in both accounts was \$645,578.50. Ms. Mora also reported that there would be a check from the City of Leon Valley in the amount of \$55.92. The check was for reimbursement of funds spent by the LVEDC for an LVEDC banner for the 4th of July Celebration. The banner was misplaced and the City reimbursed the LVEDC for its cost.

Board Vice President Guerra moved to accept the financial report. Board Member Garcia seconded the motion. The motion carried by voice vote.

V. Discussion and Possible Action on Proposals from by The Retail Coach and Drew Advertising to Develop a Website and Trade Show Booth

Staff reported that The Retail Coach (TRC) offered to do the trade show booth at no cost to the LVEDC. Ms. Mora cited Mr. Farmer's concern that there would not be enough time between a formal decision by the Board and the production of the booth for ICSC Texas Conference and Deal Making in November. As this item seemed to be similar or related to agenda item VI, Board Secretary Gannon suggested tabling this agenda item until the presentation, discussion and action of agenda item VI were made. Board Member Sanchez provided comment that agenda items V and VI were two different items – pointing out that some of the issues and/or facts being discussed could apply to either agenda item. This led to the idea that, perhaps, agenda item VI should be discussed first. Staff commented that agenda item V was to choose a vendor to develop the LVEDC website; whereas, VI was an opportunity for the LVEDC to participate with The Retail Coach in a booth in Las Vegas that was a larger venue that may be more affordable than having our own booth at ICSC RECon. Staff also indicated that more information may be provided in the next agenda item that may clarify some things for the current agenda item.



With no objection, Board President Ynostrosa moved to agenda item VI with the intention of returning to agenda item V.

The discussion after the action taken in agenda item VI:

Since TRC offered to develop the trade show booth at no cost to the LVEDC, the Board needed to decide which agency to contract with to develop a website for the LVEDC. Discussion ensued on the possibilities of engaging either agency for the job.

TRC seemed to have a positive aspect to its proposal because of the links to the TRC proprietary information and databases from which the LVEDC could connect to in the set-up of the webpage.

Board Member suggested tabling the maintenance option of the proposal until staff could get clarification from TRC.

Board Member Garcia moved to select The Retail Coach to develop the LVEDC webpage and table the maintenance option of the proposal until staff could get clarification from TRC. Board Vice President Guerra seconded the motion. The motion carried by voice vote.

VI. Presentation, Discussion and Possible Action on Joining The Retail Coach Booth at ICSC RECon in Las Vegas and Expending \$5,000 for Participation in the Booth

Staff Liaison Mora informed the Board that TRC invited ten (10) clients to join them in Las Vegas for ICSC RECon and share the TRC booth. Each client would have an area to feature their community, have meetings and, generally, work out of during the conference. The cost of \$5,000 would go toward space rental and producing the set up for the trade show. TRC was offering their larger area for the clients to hold meetings with prospects. We could use the materials developed for the LVEDC trade show booth in this space.

Board Secretary Gannon moved to adopt the resolution for the LVEDC to join The Retail Coach Booth at ICSC RECon in Las Vegas and expend \$5,000 to participate. Board Member Garcia seconded the motion. The motion carried by voice vote.

The Board went back to agenda item V.

VII. Presentation, Discussion and Possible Action on Sponsoring the Leon Valley Area Chamber of Commerce October Luncheon and Expending \$450 for the Sponsorship

Board President Ynostrosa reported that he had been approached by the LVACC regarding the Board becoming a corporate member and sponsoring the October luncheon. The cost would be \$450. Board Secretary Gannon moved for the LVEDC to become a corporate member of the LVACC, sponsor the October luncheon and expend \$450. Board Vice President Guerra seconded the motion. The motion carried by voice vote.

VIII. Presentation, Discussion and Possible Action on Investment Recommendations by Patterson & Associates

Staff reported that Patterson & Associates recommended that the money in Frost Bank be divided into three accounts with two being new money market accounts in two separate banks, Crockett National Bank and Discover Bank. They also recommended that the new accounts have balances of \$248,000 each; and, that the balance of the funds remain in the Frost Bank accounts. Discussion ensued. Concern was raised over the amounts designated for the new accounts. Board members were concerned that there would not be enough funds left in Frost Bank to take care of the LVEDC monthly operations for the fiscal year. It was discussed that the LVEDC could tailor the amounts in the money market account as it saw fit. The Finance Committee would discuss and come up with suggested amounts.



Board Member Sanchez moved to approve the establishment of two money market accounts as recommended by Patterson & Associates; and to take care of the details of the accounts at a later date. Board Secretary Gannon seconded the motion. The motion carried by voice vote.

IX. Closed Session in Accordance with the Texas Government Code.

The City of Leon Valley Economic Development Corporation Board will Convene in Closed Session:

- A. Pursuant to Tex. Gov't Code Ann. § 551.071 (1),(2) update regarding Larry Little v. Leon Valley EDC;
- B. The City of Leon Valley Economic Development Corporation Board will Reconvene into Open Session and may take action on the Closed Session Items.

In the absence of the Board Attorney, there was no need for the Board to go into Closed Session on this item.

X. Presentation, Discussion and Possible Action on Activity Regarding 501(c)(6) Designation Termination

Staff presented information from Jorge Herrera, CPA CIA PC as to the options the LVEDC had regarding this item. The easiest action to take would be to check off the box on the IRS Form 990 that indicates that the entity is not a 501(c)(6) entity and therefore does not need to file the 990 in the future. This option would probably only give the LVEDC one chance to request a refund of one penalty paid. The second option was for the LVEDC to file an IRS Form 8490 Miscellaneous Determination Request with a \$400 fee payment. This form cites reasons for the filing entity, LVEDC, to claim that it is not a 501(c)(6) entity due to the fact that it is part of a comprehensive audit of a local government which is an automatic exemption from filing a Form 990.

Filing the form gives the LVEDC the opportunity to get a refund of all penalties paid. If a determination is not received by the February 15 filing deadline for the 990, Jorge Herrera, CPA CIA PC will file an extension for the 990. This would give the LVEDC until May 15 to file the 990 and for the IRS to provide a response. If a response is not received by May 15, a second extension would be filed.

Discussion ensued. Board Members were concerned that "termination" would have a negative effect on the LVEDC. Staff commented that the designation was being terminated and it would not affect the LVEDC's charter with the State of Texas. She also commented that it was important that both staff and Board make it clear to inquirers that the designation was for IRS purposes and was not necessary.

Board Member Garcia moved for the LVEDC to terminate the 501(c)(6) designation, file the Form 8490 and pay the \$400 fee. Board Member Sanchez seconded the motion. The motion carried by voice vote.

XI. Presentation, Discussion and Possible Action on Proposal for Accountant Services by Jorge Herrera, CPA CIA PC for the IRS Form 990 for the Fiscal Year Ending September 30, 2014

Ms. Mora reported that Mr. Herrera recommended that the LVEDC Board not take action on this item. He suggested that the Board wait to see the outcome of the Form 8490 before engaging his firm to complete a Form 990 for the Fiscal Year Ending September 30, 2014.

Board Secretary Gannon moved to table this item. Board Member Garcia seconded the motion. The motion carried by voice vote.

XII. Report on ICSC RECon 2014

Board President Ynostrosa asked that this item be moved to October 22.



At this time, Board Member Sanchez asked to go into closed session. The LVEDC Board of Directors adjourned into Closed Session at 8:02 p.m.

The LVEDC Board of Directors reconvened into open session at 8:40 p.m.

No action was taken in closed session

XIII. Future Agenda Items

- A.) Work Session(s) on Strategic Plan – Board Secretary Gannon explained that he had been traveling and was unable to meet with the committee. He said he would come back with possible meeting dates.
- B.) Proposal from Leon Valley Area Chamber of Commerce – When asked, staff reported that the LVACC had not submitted an application or information as requested by the Board in August. Staff was directed to wait for the Chamber to ask for direction or assistance.

XIV. Announcements

Staff reminded the Board of the regular October meeting scheduled for October 22.

XV. Adjourn

Board Secretary Gannon moved for adjournment. Board Member Garcia seconded the motion. The motion carried by voice vote. The meeting was adjourned at 8:48 p.m.

A handwritten signature in black ink, appearing to read "Stephen V. Nostrosa", written over a horizontal line.

Stephen V. Nostrosa
Board President

A handwritten signature in black ink, appearing to read "David Gannon", written over a horizontal line.

David Gannon
Board Secretary