



**CITY OF LEON VALLEY
ECONOMIC DEVELOPMENT CORPORATION**
Leon Valley Fire Department Training Room
6300 El Verde Road, Leon Valley, Texas 78238
Wednesday, January 27, 2016

MINUTES

Call to Order and Determine if Quorum is Present.

The meeting was called to order by Ms. Manea at 6:33 PM on January 27, 2016. A quorum was declared to be in attendance. Those Board members in attendance were Patricia Manea, Monica Alcocer, Gail Monnig, David Jordan, Michael McCarley, Larry Proffitt, and Manuel Rubio (alternate).

Citizens to be Heard.

Mayor Chris Riley (6939 Forest Way), Council Member Benny Martinez (6319 Rue Sophie) and City Manager Kelly Kuenstler all thanked the Board members for volunteering their time. They also stated they were encouraged by the collective skills and experience that the new Board will bring to the Leon Valley Economic Development Corporation (LVEDC).

Closed Session in Accordance with the Texas Government Code.

This Closed Session was called to order by Ms. Manea at 6:38 PM.

- A. CLOSED/EXECUTIVE SESSION: Meet in executive session pursuant to section 551.071 of the Texas Public Information Act to meet with its attorney on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Public Information Act, regarding *City of Leon Valley Economic Development Corporation vs. Larry Little*. **(Dan Pozza, Outside Legal Counsel)**
No action was taken on this issue.
- B. CLOSED/EXECUTIVE SESSION: Meet in executive session pursuant to section 551.071 of the Texas Public Information Act to meet with its attorney on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Public Information Act, regarding a performance agreement between Leon Valley Economic Development Corporation and Leon Valley Area Chamber of Commerce. **(Roxann Pais Cotroneo, City Attorney)**
No action was taken on this issue.

This Closed Session was adjourned at 8:08 PM.

Presentation and Discussion on How the Leon Valley Economic Development Corporation is Funded. (Roxann Pais Cotroneo, City Attorney)

Ms. Cotroneo made a presentation on how sales tax revenues are distributed to the City. The current sales tax levied on Leon Valley retail sales is 8.25% per dollar spent. This percentage is broken down by 6.25% to the State of Texas, with the remaining 2.00% going to Leon Valley. Of this 2.00%, 1.00% goes to the City's **General Revenue** fund, and the other 1.00% goes to a **Dedicated Sales Tax** fund. The LVEDC (a "Type B" corporation) is currently funded by 1/8% of the City's **Dedicated Sales Tax** fund. "Dedicated" funds may also be used to fund street maintenance, crime prevention, transportation and other City needs. Percentages to be used for these various needs are determined by the voters. Ms.



Cotroneo also said the Texas Legislature has recently passed a law that allows the voters of a city to dedicate the entire 2.00% to the city's general fund. This law also allows the voters to defund the LVEDC. If that were to happen, the LVEDC would not be relieved of its debts.

Consider, Discuss and Take Action to Approve LVEDC Minutes—January 12, 2015; September 15, 2015; October 28, 2015; November 12, 2015; and December 17, 2015.

The motion to adopt all minutes, except December 17, 2015 was made by Ms. Alcocer and seconded by Mr. McCarley. The motion carried with a voice majority.

Consider and Discuss Financial Report by LVEDC Treasurer.

Mr. McCarley stated that as of this date, the two accounts at Frost Bank total \$284,825.62. Of this amount, about \$12,000 in the checking account has been allocated to cover pending accounts payable and checks that are outstanding. For the first 4 months, sales tax revenue has averaged \$22,552/month. At this average, the sales tax revenue for the FY will exceed \$270K.

Consider, Discuss and Take Action Regarding Name Tags, Business Cards, Email Addresses via New Website and Information for Brochures to Promote Leon Valley.

Approval is needed from the board to spend money for marketing items, such as name tags, business cards, website updates and brochures. Ms. Mora pointed out that advertising dollars sufficient to cover these are currently in the "Miscellaneous" budget line item. Ms. Cotroneo mentioned that advertising expenses cannot exceed 10% of the total budget. Ms. Mora assured her that they do not. Mr. Jordan asked Ms. Mora if the Retail Coach's expenses and website advertisements are in the budget. Ms. Mora answered, "Yes." Ms. Manea noted that the website was taken care of in the previous contract with the Retail Coach (Aaron). LVEDC Board approval is needed to move forward. Ms. Alcocer made a motion that the items be approved and Mr. McCarley seconded the motion. The motion carried with a voice majority.

Consider, Discuss and Take Action Regarding the Contractual Services Contract/Services Agreement with the City of Leon Valley for FY2015-2016

Ms. Mora began the discussion by stating the Service Agreement between the City and the LVEDC approved 11/10/14 should be used as the baseline for discussion of this item. Ms. Mora asked what specific services the LVEDC wants from the City. Ms. Manea stated she believed there was a misunderstanding with regard to the funding for a fulltime employee. She had understood the Agreement to limit the 40 hours of staff time to the use of Ms. Federico for administrative duties. Ms. Manea then confirmed with the CM that the hours were intended to cover up to 40 hours/week of staff services, not just the time for Ms. Federico.

Ms. Alcocer asked if there was any reason the Agreement could not coincide with the City's FY.

The Agreement's term is from December 1st through November 30th. The City's FY is from October 1st to September 30th. A change to the City's FY was approved. A request was also made to change the \$45,417 amount in the 11/10/14 Agreement to the \$46,000 that has been approved in the City's budget. This change will be made when the Agreement is updated with actions from tonight's meeting.

Mr. Jordan asked what performance measures are in place for the administrative services to be requested by the LVEDC. Ms. Kuentler responded that city employees have performance measures in their job description and that it would be appropriate for the LVEDC to add performance measures with the City Manager's approval. Ms. Kuentler suggested the administrative duties be less specific, rather than more specific, to allow more flexibility in responding to the LVEDC's requests. Ms. Alcocer suggested that Section 1, Paragraph 1 be changed to read "Staff time of 40 hours per week of



administrative support and services to be used for the LVEDC activity." In the interest of simplifying the Agreement further, Mr. Jordan suggested that Paragraph 2 of Section 1 also be changed to reduce the list of specific services listed to the following, "Authorize the use of City facilities or services for the use of the LVEDC."

Ms. Manea requested that changes listed in the paragraphs above be incorporated into the Agreement, along with new signatures to reflect the names of the current City Manager and President of the LVEDC. Ms. Alcocer made a motion to approve Ms. Manea's request, and the motion was seconded by Mr. Proffitt. The motion passed.

Consider, Discuss and Take Action on Utilizing the City Attorney (Staff) as the LVEDC Board Attorney and Consider Hiring Outside Counsel for Special Issues

City Manager said an opportunity existed to reduce the overall cost of attorneys' fees for the LVEDC. In response to this opportunity, the City Manager suggests the LVEDC take advantage of the City's hiring of Ms. Cotroneo as City Attorney. This will allow outside legal fees to be reduced for both the City and the LVEDC. If a conflict of interest should arise between the City and the LVEDC, the conflict will be discussed between the parties and outside legal advice for the LVEDC will be sought if required.

Ms. Cotroneo brings over 20 years of municipal legal experience and also has an extensive background working with many LVEDC's across the state of Texas. Ms. Alcocer made a motion that the LVEDC use the City Attorney instead of using outside legal firms to conduct business for the LVEDC. Mr. Jordan seconded the motion, and the motion passed.

Presentation, Discussion and Action on the LVEDC FY2015-2016 Budget.

Ms. Mora made a presentation, which included a 2015-2016 proposed budget. After the presentation, the Board decided to form a committee to review the budget process. Mr. Jordan suggested approval of the budget be tabled until the review could be completed. Ms. Manea asked for volunteers for the committee. Ms. Monnig, Mr. McCarley and Mr. Proffitt agreed to serve on the committee. Ms. Manea said date and time of meeting would be sent via email.

She also said that the LVEDC's budget would be removed from the March 1, 2016 City Council agenda to allow time for the committee to report its findings to the LVEDC board meeting scheduled February 24, 2016. Three recommendations for the committee to consider were made: (1) No new LVEDC grants to be awarded prior to approval of the budget, (2) Reduce professional services budget line due to hiring of City Attorney, and (3) Reduce travel budget line item due to absence of an LVEDC Director.

Ms. Manea made a motion to table the approval of a budget for the LVEDC until the committee has had time to meet and recommend changes to the Board. The adjusted budget, to be divided into 4 months of actuals and 8 months of monthly estimates, will be presented at the LVEDC's meeting on February 24, 2016. The motion carried with a voice majority.

Consider, Discuss and Take Action Regarding Promotional Material for Board in Regards to Data Storage – Cloud, Local Projects

City Manager offered to have the City's IT staff look into using the "Cloud" to store, retrieve and disseminate LVEDC information. No action will be taken on this issue until the City's IT staff has a chance to prepare a response.

Presentation, Discussion and Action on Performance Measures and Work Plan for the LVEDC FY 2015-2016 Budget.

The CM stated that the Performance Measures provided in the packet needed metrics. With only 8 months left in the current FY, the CM agreed that care would have to be taken not to make unrealistic goals, but to have goals that were



attainable in preparation for better goals and priorities next year. After considerable discussion on wording within the Performance Measures and Work Plan, the Board collectively decided more work needed to be done off line. It tabled further discussion of this issue until the February 24, 2016 meeting, with the understanding that Ms. Alcocer, Ms. Manea, and Mr. Proffitt will meet after suggestions are sent in by the board. No motion was required.

Presentation, Discussion and Action on Amendments to the City of Leon Valley Economic Development Corporation Certificate of Formation (Articles of Incorporation) and Bylaws.

Ms. Manea asked if the Board had had enough time to review these amendments. Ms. Alcocer felt more time was needed. Ms. Cotroneo mentioned that the LVEDC has not updated its annual non-profit periodic report (eminent domain reporting) to the State of Texas since 2011. She assured the Board that would be accomplished by the end of January 2016. Ms. Alcocer made a motion that this issue be tabled until the LVEDC's meeting on February 24, 2016 to allow further review. Mr. Jordan seconded her motion and the motion carried with a voice majority.

Consider, Discuss and Take Action on Protocol for Requests and Dissemination of Information.

Ms. Manea asked that all future emails go through the leonvalleytexas.gov website. If help is needed using this site, contact administrative services (Ms. Federico). Any Board members currently unable to use the .gov website were asked to use regular email addresses for their LVEDC correspondence. Ms. Cotroneo suggested everyone go through the Open Meetings and Public Information training as soon as possible. Mr. Jordan asked about length of time required for LVEDC to respond to public requests for information. Ms. Manea responded that Ms. Federico will track the official ten-day window for public requests.

Ms. Manea requested permission of the Board to table this issue until the LVEDC's February 24, 2016 meeting, at which time Ms. Cotroneo will do a quick overview of the Open Meetings Act and provide other resources for LVEDC training. Permission was granted by the Board to table this issue until the February 24, 2016 meeting.

Consider, Discuss and Take Action Relating to Submission of Items by LVEDC Board Members on the Meeting Agendas for Upcoming Meetings.

Ms. Manea made a motion that future LVEDC agenda items be submitted via email 7 days prior to the deadline for the notice of the public meeting, so that the draft agenda can be sent to board members 24-48 hours before the posting of the final agenda. The motion carried with a voice majority.

Consider, Discuss and Take Action to Register the Leon Valley Economic Development Corporation with the Texas Comptroller as Mandated by New State Law Regarding Their Statutory Eminent Domain Authority (Roxann Pais Cotroneo, City Attorney)

CA says anyone who has eminent domain authority must register with the State to avoid \$1,000 penalty. Deadline is February 1st. This applies to LVEDC because we are subsidiary to the City, and the City has eminent domain authority. Ms. Alcocer moved that the LVEDC pay the fee to register the LVEDC with the State. Mr. Proffitt seconded the motion, and the motion passed.

Discuss and Take Action on Changing the LVEDC Board Meeting Day and Time

Ms. Manea made a motion to move the LVEDC's regular monthly meeting to the fourth Wednesday of every month at 6:00 PM. The LVEDC's next monthly meeting will be February 24, 2016 at 6:00 PM. The motion carried with a voice majority.



Announcements

Annual TEDC Training is coming up. Board members must attend every two years. The LVEDC pays for Board members to attend. There is no training in Austin or San Antonio this year. The LVEDC pays for registration and provides a travel option, if required. Lodging, meals and mileage are covered under the travel option.

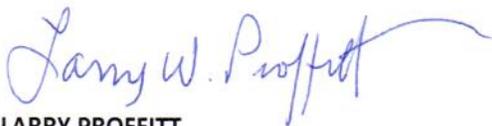
Future Agenda Items

1. TEDC Sales Tax Training
2. Professional Services for Storage of LVEDC Files and Documents
3. Potential Joint Meeting with the Leon Valley Area Chamber of Commerce Board of Directors
4. Presentation and Discussion on Texas Open Meetings Act (R. Cotroneo)
5. Consider, Discuss and Take Action to Approve LVEDC Minutes for December 17, 2015
6. Discuss Financial Report by LVEDC Treasurer (M. McCarley)
7. Discussion, Consideration and Possible Action on the LVEDC FY2015-2016 Budget
8. Presentation, Discussion and Action on Performance Measures and Work Plan for the LVEDC FY 2015-2016 Budget
9. Presentation, Discussion and Action on Amendments to the City of Leon Valley Economic Development Corporation Certificate of Formation (Articles of Incorporation) and Bylaws (P. Manea)
10. Consider, Discuss and Take Action on Protocol for Requests and Dissemination of Information.

Adjourn

Mr. McCarley made a motion to adjourn the meeting at 10:52 PM. Ms. Alcocer seconded the motion, and the motion passed.

These minutes approved by the City of Leon Valley Economic Development Corporation on the 27th of April, 2016.

ATTEST: 
LARRY PROFFITT
LVEDC SECRETARY

APPROVED

PATRICIA MANEA
LVEDC PRESIDENT