

Minutes of the City of Douglas
INDUSTRIAL DEVELOPMENT AUTHORITY
October 15, 2013

1. **CALL TO ORDER:** an Industrial Development Authority meeting of the City of Douglas was held at City Hall, 425 10th Street, Douglas, AZ 85607 on October 15, 2013 at 10:09 a.m.

2. **ROLL CALL**

PRESENT:

Daniel Ortega Sr.
Howard Henderson
Josue Lopez
Bill Thomas Sr.
Robert Marrufo
Florencio Lopez

ABSENT:

Eddie Rivera
Craig Hughes
Patrick Scherden

Others present:

Alma Andrade, City of Douglas

3. **APPROVAL OF MINUTES – OCTOBER 1, 2013**

Motion by Bill Thomas and second by Howard Henderson to approve the minutes of October 1, 2013.

Motion passed.

4. **TREASURER’S REPORT**

Mr. Henderson stated there has been no change in the financials since the last time IDA met. Mr. Henderson addressed item #5 as it pertains to financials and CD investment.

5. **CDs INVESTMENT**

Mr. Henderson stated IDA has \$597,585 dollars on hand adding four CDs and the checking account.

The checking account balance is \$156,995; and CDs account, one to mature this month is \$162,344 and the two that mature at the end of December are as follows: \$56,764 and \$117,770. The fourth CD that matures in August 2014 is \$103,712.

Mr. Henderson mentioned since IDA does not have an eminent need for cash, we may be able to reduce the checking account from \$116,000 to \$40,000. It may be an option to split in quarters to have 4 CDs, which could have \$139,250 per CD. In addition, Mr. Henderson proposed to IDA members to meet with Luis Pedroza on how to transition to Alliance Bank (CDARS), with their 52 week payment of .51%; 26 week at .33%; 13 week at .26%; and 4 week period at .19%.

As a recommendation Mr. Henderson would like to have each CD start at the beginning of the quarter. Will terminate CD that ends in October 2013 and may be able to put in a two four weeks and get up to the 1st of January 2014 and that will be the first CD of the quarter. In addition to

begin moving CDs that will mature in December 2013 to get them in the second and third quarter; and to move the fourth CD that matures in August 2014 into the fourth quarter. With this mind we will have a CD to mature every quarter.

Mr. Florencio Lopez inquired on CDs with the least amount of money are paying a 0.2% interest and once they roll over, do they stay at a 0.2% interest.

Mr. Ortega stated that every time a CD is renewed you are locked into specified return. Once a CD is up for renewal the financial institution will send you a notice with the new rate.

Mr. Florencio Lopez agrees with Mr. Henderson pertaining to having less money in the checking account.

Mr. Henderson added that checking account money will build up again as payments come in on a monthly basis to the checking account. Although, there is always time to review and analyze this process.

In addition Mr. Henderson clarified that CDs will have equal amount and each CD will mature at each subsequent quarter.

Mr. Ortega suggested to Mr. Henderson to withdraw \$100,000 instead of \$116,000 to try to have \$100,000 in each CD.

Mr. Florencio Lopez clarified that Mr. Ortega would like to have five \$100,000 CDs.

Mr. Henderson stated that with the Board's approval, he will do a 30 day twice on maturing CD in order to roll over into the first quarter of 2014.

Mr. Ortega inquired on the City of Douglas \$400,000 loan, which the City promised to pay in five years at a rate of \$80,000 per year and that is how IDA came up with these CDs. In addition Mr. Ortega asked how much the City owes to the IDA. Mr. Henderson will get the correct balance for future meetings.

Mr. Bill Thomas inquired if La Paloma Academy is current. Mr. Ortega stated La Paloma is current but not the Hospital (SAMC).

Mr. Ortega suggested to Mr. Henderson as he will be working with Luis Pedroza to open an account with CDARS to have CDs flexible in order to cash in when needed. The members commented some CDs have penalties when cashing out.

Mr. Ortega added that the IDA's current CDs do not have a penalty.

Mr. Thomas stated that Mr. Henderson's idea is great as IDA will have access to monies every ninety days.

Motion by Bill Thomas and second by Florencio Lopez to authorize Howard Henderson to work with Luis Pedroza to move CD's and to withdraw money from the checking account to invest on CDs with CDARS.

Motion passed unanimously.

Mr. Henderson will make the 52 week CD and then another CD that will take three or six months whatever is needed and then to roll over in order to have a maturing CD every quarter.

Mr. Marrufo inquired about IDA's monthly income. Mr. Ortega stated the monthly income is \$5,700, which includes La Paloma, B&D, Precept and the City of Douglas.

6. CALL TO THE PUBLIC

None.

7. ITEMS FOR NEXT MEETING

- Treasurer's Report
- Corporation Tax Filing Update
- EDC Office in Cananea/Nacozari
- Discussion Bisbee-Douglas International Airport

8. DATE FOR NEXT MEETING

November 6, 2013.

9. ADJOURNMENT: 11:43 a.m.

All members voted in favor to adjourn the meeting at 11:43 a.m. unanimously passed.

Prepared by:



Alma Andrade
Executive Assistant

For reasonable accommodations pursuant to the Americans with Disabilities Act (ADA), call Frank Piñon at 417-7315 as early as possible to coordinate needed arrangements.

For further information, please call Alma Andrade, City of Douglas at 417-7302.