

**Minutes of City of Douglas  
INDUSTRIAL DEVELOPMENT AUTHORITY  
Special Meeting  
June 6, 2013**

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**I. CALL TO ORDER:** An Industrial Development Authority meeting of the City of Douglas was held at City Hall, 425 10<sup>th</sup> Street, Douglas, AZ 85607 on June 6, 2013. The meeting convened at 10:11 a.m.

**II. ROLL CALL:**

**Present**

Daniel Ortega Sr.  
Howard Henderson  
Josue Lopez  
Bill Thomas Sr.  
Eddie Rivera  
Florencio Lopez  
Patrick Scherden

**Absent**

Robert Marrufo  
Craig Hughes

**Others Present:**

Carlos de la Torre, City of Douglas  
Alma Andrade, City of Douglas

**III. APPROVAL OF MINUTES: March 26, 2013**

Mr. Ortega handed out the minutes for the Board Members to review and approve. Mr. Scherden addressed an amendment regarding item #4 motion, should state that all members voted not to renew Mr. Gonzalez' contract.

**Motion:** by Patrick Scherden

**Second:** by Bill Thomas Sr.

**Motion Passed:** Unanimously

**IV. FINANCIAL REPORT BY MR. HOWARD HENDERSON, IDA TREASURER.**

Mr. Henderson provided an updated financial sheet he provided back in February. In addition to the financial sheet Mr. Henderson provided the IDA Financial Statements ending June 30, 2012. He provided copies to IDA members for review. Mr. Henderson asked that if members had questions regarding the Treasurer's Report, he would be happy to answer them.

The following was address by Mr. Henderson:

CD Balance \$435,000 at a rate of .7%. Mr. Ortega received notices that rates will go down to .2%. Mr. Thomas also inquired if the Treasurer/Chair looked into Edward Jones. Jones or Money Mutual. Mr. Florencio Lopez mentioned Chase has a financial advisor that comes every Thursday and they have a rate average 7 to 7.5% with a minimum of \$100,000. Mr. Ortega mentioned the board has to have liquid funds. Most loans are long term; in stock and he would leave it to the board to decide what we need to do. Mr. Florencio Lopez mentioned there are different financial options depending on what the

ultimate goal is. Mr. Ortega commented the board may need to have sizeable funds in the near future, possibly couple hundred thousand (\$200,000).

Mr. De La Torre asked Mr. Florencio Lopez the possibility of him inviting the Chase Loan Advisor to present an overview or brief presentation to the board at a future meeting. In addition Mr. De La Torre mentioned the better option to get a loan with a lower financial interest and with government securities. Mr. De La Torre also added the City contracted with R&B Capital for financial purposes. Mr. De La Torre commented on the possibility to invite Mr. Luis Pedroza to a future meeting in order to provide the board with a financial presentation on which the City contracted with. Mr. Florencio Lopez mentioned we need to inquire on secured loans not unsecured.

The following loans were discussed by the board:

- City of Douglas: \$400,000 on a 5 year term. Mr. Henderson commented the possibility of the City making a \$20,000 payment in the new fiscal year on Jul 1, 2013.
- La Paloma School: \$80,000 with a 7% interest for a 4 year term. Current balance \$44,443.
- SEAMC: \$69,715 with 0% interest for a 5 year term. After they filed for bankruptcy, they have made three payments (\$3,000) current balance of \$37,000. The Hospital needed to have some plans done for a new Hospital or feasibility study.

Mr. Ortega commented on the negative income revenue which was for Mr. Victor Gonzalez' \$81,000 annually and was employed by the IDA for three years until the Board decided not to renew his contract.

Mr. Josue Lopez inquired about Mr. Pedroza's financial presentation. Mr. De La Torre mentioned it's only for advice and we may move the money to another financial institution. The possibility of obtaining a CD for 6 months, for half a million dollars for instance at 3%. We need to look at more flexible options, especially FDIC insured.

**Motion to approve the Financial Report:** by Bill Thomas Sr.

**Second:** by Eddie Rivera

**Motion Passed:** Unanimously

**V. DISCUSSION/DECISION TO ALLOCATE SECOND PAYMENT FOR SIGNAGE AND RELATED ACTIVITES OF THE SENTRI PROGRAM.**

Mr. Ortega announced the first payment was made to SENTRI program in April 2013. IDA committed to the Municipality of Agua Prieta for signage's which are up. The amount wired \$8,350 which in pesos it is more. Mr. Josue Lopez asked if there was going to be more signage that what already is there. Mr. Ortega mentioned it was only for the signage's that are up already. Mr. De La Torre added the money was used for signage, barricades and striping. The next payment as of today's peso exchange would be \$8,202.

Mr. Scherden mentioned no motion is needed as per minutes of March 7, 2013; IDA should allocate up to \$17,000 to provide funding as necessary.

No motion needed as this was approved at previous meeting.

**VI. RESCIND THE 1<sup>ST</sup> STREET PARKING LOT AGREEMENT BETWEEN THE CITY OF DOUGLAS AND THE IDA.**

Mr. De la Torre explained to the board that the City submitted to Marty Ryan, an agreement to rescind the current IDA agreement between the City of Douglas and the IDA for the 1<sup>st</sup> Street Parking lot. The City of Douglas Mayor and Council approved a License Agreement with CBP. CBP believes it is a more formal action to have an agreement direct with the City of Douglas instead of using the IDA as intermediary. Mr. Thomas mentioned as to his understanding that CBP could not do it direct with the City and that was the purpose of using the IDA. Mr. De La Torre mentioned that CBP attorney have a need to include liabilities language among other things missing from the agreement, therefore, we would like for the board to rescind such agreement. Mr. Ortega approves to rescind such agreement.

**Motion by:** Josue Lopez

**Second by:** Florencio Lopez

**Motion Passed:** Unanimously

**VII. CALL TO THE PUBLIC.**

None.

**VIII. AGENDA ITEMS FOR NEXT MEETING**

1. IDA Operational Guidelines
2. Mr. Luis Pedroza, Financial Presentation
3. POE Update
4. Bisbee-Douglas International Airport Update
5. Review Audit Financial Statements for previous year
6. P&L statements for the last three months
7. Election of Officers. (President/Chairman, Vice-President, Treasurer, Secretary).

Mr. Bill Thomas inquired about monies use for the POE and would like to get an update. Mr. Florencio Lopez inquired about an audit accomplished for fiscal year of June 2012. The Board would like to have an expense report at future meetings.

**VII. DATE FOR NEXT MEETING**

July 11, 2013

**VIII. ADJOURNMENT**

Meeting adjourned unanimously at 11:57 a.m.

Prepared by:

Alma Andrade  
Executive Assistant