



*SAN BENITO ECONOMIC DEVELOPMENT CORPORATION*  
*REGULAR MEETING*  
*June 15, 2017*

On June 15, 2017, the San Benito Economic Development Corporation of the City of San Benito held a Regular Meeting at the San Benito Municipal Building (Cesar Gonzales Meeting Hall), 401 N. Sam Houston at 5:30 p.m. A quorum was present including the following:

*ESTEBAN M. RODRIGUEZ WAS THE PRESIDING OFFICER.*

*EDC BOARD MEMBERS*

Esteban M. Rodriguez	President
Mary Bolado	Vice President
Bill Elliott	Board Member
JD Penny	Board Member
Carol Lynn Sanchez	Ex-Officio Member

*ADMINISTRATIVE STAFF*

Manuel De La Rosa	City Manager
Lupita Passemment	City Secretary
Rachel Siller	Administrative Assistant
Moises Madrid	Accountant
Ricardo Morado	City/EDC Attorney

*ABSENT*

Orlando Lopez	Board Member
Mark Moody	Board Member
Alfredo Garcia, Jr.	Secretary/Treasurer

ITEM 1. WELCOME TO VISITORS.

*Esteban M. Rodriguez, President*, welcomed everyone and called the meeting to order at 5:30 p.m. at the Cesar Gonzalez Meeting Hall located at the Municipal Building.

ITEM 2. PLEDGE OF ALLEGIANCE TO THE U S FLAG AND TO THE TEXAS FLAG.

*JD Penny, Board Member*, led Board Members and audience in reciting the Pledge of Allegiance to the United States and to the Texas Flag.

ITEM 3. INVOCATION.

*Mary Bolado, Vice President*, led the Board Members and audience in prayer.

ITEM 4. PUBLIC COMMENTS.

No one registered for public comments.



ITEM 5. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE MINUTES FOR THE SPECIAL MEETING OF MAY 8, 2017 AND THE REGULAR MEETING OF MAY 18, 2017.

Mary Bolado, Vice President, moved to approve the minutes. Bill Elliott, Board Member, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members Bill Elliott, and JD Penny. MOTION CARRIED TO APPROVE THE MINUTES FOR THE SPECIAL MEETING OF MAY 8, 2017 AND THE REGULAR MEETING OF MAY 18, 2017.

ITEM 6. PRESENTATION OF THE 2017 ROTARY CLUB OF SAN BENITO KAYAK REGATTA POST-EVENT REPORT.

Alma Ortiz, San Benito Rotary Club, provided a post-event report for the 1<sup>st</sup> Annual San Benito Kayak Regatta. Participants came from around the Rio Grande Valley and from cities as far away as Laredo and Austin. The largest supporters of the event were San Benito EDC, City of San Benito, Cameron County Irrigation District #3, Bass Pro Shops, and Rotary Shrimp Fest of South Texas Inc. Mary Bolado, Vice President, inquired to the actual number of vendors because the attendance report indicates 100 vendors, while there were 47 vendor booths. Discussion occurred between the Board and Alma Ortiz regarding the vendors with the conclusion that the 100 vendors on the attendance sheet indicate the number of people tending to the vendor booths.

ITEM 7. UPDATE FROM REYNA NETWORK ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Rachel Siller, Administrative Assistant, informed the Board that the handout provided is the ILS (Investor Loan Services) monthly report that arrived after the binders were complete. Thelma Gonzalez, Project Manager with Reyna Network, briefed the Board on the activity report which covers May 15, 2017 through June 9, 2017. Currently the EDC has \$144,000 of IRP funds remaining. The EDC is estimated to have a fund balance of \$312,211.88 (\$167,905.90 and \$144,305.98). The EDC received \$8587.61 of payments in May (\$8,527.19 loan payments and \$60.42 late fees). Mr. Patricio Oseguera, owner of Queso San Miguel, is working on the application. His business plan is complete. Ms. Amanda Claudio is working on her application and business plan. Discussed the loan program with Ms. Elida Hernandez, manager at First Colony Mobile Home Park, who is passing the information along to the park owners. Mr. Orlando Garza is expecting to open his car wash mid-July. Ms. Veronica Aguilar's loan closed today. Mr. Thrailkill remains one month behind in payments.

ITEM 8. UPDATE ON SAN BENITO AEP SERVICE CENTER.

Rachel Siller, Administrative Assistant, recapped the groundbreaking event for the AEP Service Center and briefed the Board on the EDC financial transactions regarding the property transfers. Money transfer of \$732,668.75 (\$232,668.75 from AEP and \$500,000.00 from the EDC promissory note) from the EDC operating fund to the City will be submitted on June 29, 2017. Manuel De La Rosa, City Manager, detailed the financial transactions, which included fees such as closing costs. AEP is renting the property along Business 77 starting June 1. The City will perform upkeep of the land. The rental agreement holds AEP responsible for the first \$500.00 of repairs. The City cover the remaining costs, and holds insurance on the building. Mary Bolado, Vice-President, inquired as to the tax responsibilities regarding the property. Manuel De La Rosa reminded the Board that the City does not pay property taxes, however the EDC does pay property taxes.

ITEM 9. DISCUSSION AND UPDATE ON DAMAGE TO EDC PROPERTY LOCATED AT 701 N BOWIE.

Rachel Siller, Administrative Assistant, briefed the Board on the water damage to the interior of the building located at 701 N. Bowie. The water line leading to the tank of the toilet was the cause of the damage, which was found on May 22, 2017. The water saturated the carpet, which has been ripped out. City personnel are going thru to make sure we don't have any mold issues. Financial impact for this event to date is \$2,646.80 for water usage and labor. Insurance monies



ITEM 9. (CONT.) DISCUSSION AND UPDATE ON DAMAGE TO EDC PROPERTY LOCATED AT 701 N BOWIE.

received are \$10,154.72. Quotes are in process to determine which floor covering to install, carpet or tile. Discussion ensued between the Board and staff regarding the flooring quotes and the future of the building. We should install flooring because the building is for sale. The 1.0118 acre lot (building and parking lot) is appraised at \$300,000.00. City staff has increased on-site visits for EDC buildings to weekly, compared to every two weeks for better visibility of maintenance issues that may arise.

ITEM 10. MAINTENANCE UPDATE OF EDC PROPERTIES LOCATED AT 2550 EXPRESSWAY 83 AND 701 N BOWIE.

Rachel Siller, Administrative Assistant, reviewed the status of the EDC buildings. The building at 701 N Bowie has an inoperable air conditioning unit in the front office and lobby area, missing exterior electrical outlet plates have been replaced, and minor exterior concerns have been noted such as minor wall cracks and broken light fixture cover. The building at 2550 Expressway 83 is in stable condition. There are several items of concern, as the building has been vacant and has been vandalized. The appraisal for the property adjusts for the condition of the building.

ITEM 11. CONSIDERATION AND POSSIBLE ACTION TO REPLACE THE HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) SYSTEM AT THE 701 N BOWIE PROPERTY.

Rachel Siller, Administrative Assistant, reviewed the three quotes, indicating the Building Maintenance recommends the \$3,900.00 system from Border Air Conditioning. The system comes with 10 year warranty on the compressor, 5 years on all parts, and 2 years on labor. Esteban Rodriguez, President, questioned the area of the building that the system will cool. Rachel Siller clarified that the system is for the front offices and lobby area. Further discussion occurred between the Board and staff regarding the size of the unit. JD Penny, Board Member, moved to purchase the 5 ton HVAC unit from Border Air Conditioning. Bill Elliott, Board Member, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members Bill Elliott, and JD Penny. MOTION CARRIED TO PURCHASE THE 5 TON HVAC SYSTEM FROM BORDER AIR CONDITIONING.

ITEM 12. PRESENTATION OF THE PRELIMINARY BUDGET FOR FISCAL YEAR 2017-2018.

Rachel Siller, Administrative Assistant, presented a very preliminary budget for fiscal year 2017-2018. Manuel De La Rosa, City Manager, reviewed notable budget items including: bringing management of the USDA Small Business Loan program in-house, paying rent to the City for use of the building and facilities (about \$500 per month) which is a standard practice, and the fourth person included in the personnel category of the budget, will not include a Director at this time as the current staff is doing a lot of good things in terms of the Museum and Main Street/Downtown activities. The fourth person would most likely be utilized to assist with the operations of the Museum while Mr. Luis Contreras manages the Museum, Freddy Fender portion of the Community Center, and the Narciso Martinez Cultural Arts Center. Discussion ensued between Manuel De La Rosa and the Board regarding how the EDC budget will be affected by the museum groups, cultural venues, and soon-to-be-completed San Benito Cultural Heritage Museum, including: The Museum coalitions are lacking to achieve full compliance for non-profit organizations in addition to conforming to industry standards for management of Museum collections. Each member of the Museum coalition will enter an agreement with the City once their non-profit status is in compliance with regulations. The intent is to have the cultural venues located at Plaza de San Benito to be operated with protocol and procedures adopted by the City, which are scheduled to be implemented by October 1. Fundraising efforts with the Museum coalition will be utilized with the objective to not have the museum operations be dependent on funding from the City or EDC budgets. Lease agreements are being prepared to present to the



ITEM 12. (CONT.) PRESENTATION OF THE PRELIMINARY BUDGET FOR FISCAL YEAR 2017-2018.

Attorney for review. JD Penny, Board Member, questioned, and Manuel De La Rosa confirmed, the Main Street Coordinator and Museum Coordinator salaries are paid using EDC monies, per the budget presented for Fiscal Year 2016-2017. When there is more activity, more to offer for incentives, or more money to utilize, a Director may be needed. Under the current operations and activity level that we have, this plan is the best way to manage the resources we have. Bill Elliott, Board Member, requested verification that not all entities have non-profit status. Manuel De La Rosa indicated that documentation regarding their status has been requested. The groups are currently guests in our buildings, as they do not have active leases. Accountability procedures will be established for monetary and artifact transactions once the facility is operational.

ITEM 13. PRESENTATION OF THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2017.

Moises Madrid, Accountant, reviewed the financial statement for May 2017. JD Penny, Board Member, inquired on the sales tax adjustments that are present in the report. Moises Madrid explained how the sales tax is estimated as an accrual entry, and either a negative or positive entry is completed to adjust for actual sales tax amounts received.

ITEM 14. ADJOURNMENT

Mary Bolado, Vice President, moved to adjourn. Bill Elliott, Board Member, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members Bill Elliott, and JD Penny. Esteban M. Rodriguez announced the meeting adjourned at 6:16 pm.

SAN BENITO ECONOMIC DEVELOPMENT CORPORATION

  
ESTEBAN M. RODRIGUEZ, PRESIDENT

ATTEST:

  
LUPITA PASSEMENT, CITY SECRETARY