



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
June 21, 2018

On June 21, 2018, 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:

JOSE L. MORALES WAS THE PRESIDING OFFICER.

EDC BOARD MEMBERS

Jose L. Morales	President
Julian Rios	Vice President
Priscilla Guajardo	Secretary/Treasurer
Ramiro Guerra	Board Member
Jeremy Maya	Board Member
Benjamin Gomez	Ex-Officio Member

ADMINISTRATIVE STAFF

Manuel De La Rosa	City Manager
Rachel Siller	Coordinator
Belen Pena	Finance Director
Ricardo Morado	City/EDC Attorney

ABSENT

Mary Bolado	Board Member
-------------	--------------

ITEM 1. WELCOME TO VISITORS.

Jose L. Morales, President: Alright. I would like to call this meeting to order. Notice of Regular Meeting of the San Benito Economic Development Corporation, Thursday, June 21, 2018. It is now 5:30.

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

Jose L. Morales, President: We're gonna be led by our Pledge of Allegiance to the United States flag and the Texas flag by Jeremy Maya, Board Member.

All: I pledge allegiance to the flag, of the United States of America. And to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.
Honor the Texas Flag, I pledge allegiance to thee. Texas, one state, under God, one and indivisible.

ITEM 3. INVOCATION.

Jose L. Morales, President: Thank you. We will remain standing. We're gonna have the invocation led by Miss Priscilla, Board Member.

Priscilla Guajardo, Secretary/Treasurer: Dear Lord, we ask humbly Lord Jesus just to please bless everybody that is here in attendance of meeting. Please make sure that everybody gets home safely. We just lift up all those people that are being affected throughout the valley, here very right now even in our town, by all this water that we are getting Lord. And we just ask you just to please let us have a good week. In Jesus' name we pray, Amen.

All: Amen.

Jose L. Morales: Thank you Priscilla. Thank you Jeremy.

ITEM 4. PUBLIC COMMENTS.

Jose L. Morales, President: Right now is Item 4. Open for public comments. Do we have anybody to speak in Public Comments?

Rachel Siller, Coordinator: No, we do not.

Jose L. Morales: OK, then we are going to close that item. We'll go over to number five.

ITEM 5. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 17, 2018.

Jose L. Morales, President: Consideration and possible action on approval of minutes of the Regular Meeting of May 17, 2018. Has everybody had time to review the minutes? Any corrections? (phone noise) OK. We have a pocket Board Member. Nah, just kidding. Anybody have any comments? Any revisions? OK. Do I have a motion to approve?

Jeremy Maya, Board Member: I Motion.

Jose L. Morales: Jeremy motion to approve. Do I have a second?

Julian Rios, Vice-President: Second.

Jose L. Morales: I have a second. All in favor, say Aye.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L. Morales: All opposed, say, announce, OK. Motion passed to approve minutes.

MOTION CARRIED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 17, 2018.

Jose L. Morales: I think we are gonna move over to item six.

ITEM 6. PRESENTATION OF THE 2018 HOG WADDLE COUNTRY CONCERT AND COOK-OFF POST-EVENT REPORT.

Jose L. Morales, President: Presentation of the 2018 Hog Waddle Concert and Cook-Off and post-event report. Mrs. Rachel Siller is gonna do it, Economic Development Coordinator.

Rachel Siller, Coordinator: Good evening Board Members, Rachel Siller for the record. Before you is the post event presentation for the Hog Waddle Country Concert and Cook-Off that took place in May. We spent \$7,398 out of \$10,000 that we agreed to fund for the marketing. We were able to obtain excellent marketing packages. Even though we only spent that 7,398, we had a value of over \$20,000 because we coordinated efforts with the event promotions company for that marketing. At the event, we had 21 BBQ teams, 27 vendors, kiddie carnival, pony rides, and a piglet petting farm. And I believe I saw most of you there. It was a, a really nice event. Well attended. Did anybody have any questions?

Jose L. Morales: The, the money left from the \$10,000, is that reinverted into the EDC fund?

Rachel Siller: It never left the EDC fund.

Jose L. Morales: OK, so.

Rachel Siller: It gets paid directly from, so whatever doesn't get expensed, it stays,.

Jose L. Morales: It stays there.

Rachel Siller: In that promotional fund.

Jose L. Morales: Beautiful. OK. Any other questions from the Board? How successful was it? Like tax revenue? Did we, we?

Rachel Siller: We find out our tax revenue impact after two months.

Jose L. Morales: After two months. Be sure that we get updated in two months with how successful it was.

Rachel Siller: It will be included in your financial records with the incoming tax receipts.

Jose L. Morales: OK thank you. Any other questions from the Board? No? Alright, thank you Rachel for that presentation. We will move to Item 7.

ITEM 7. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST FROM THE CITY OF SAN BENITO FOR THE OCTOBER 13, 2018 SOUTH TEXAS MUSIC FESTIVAL, IN THE AMOUNT OF \$10,000.00.

Jose L. Morales, President: Consideration and possible action to approve the funding request from the City of San Benito for the October 13, 2018 South Texas Music Festival, in the amount of \$10,000.00. We have, we have presenter Rachel Siller, Economic Development Corporation for the record, on behalf of Mr. Luis Contreras, Museum Coordinator. Rachel.

Rachel Siller, Coordinator: Before you is a request for funding from the City for the marketing of the South Texas Music Festival. Last year this festival had a different name. It was the Resaca City Music Festival. The name was revised to better incorporate the entire Valley as a whole. It is a, a brand new event last year. Great attendance last year. We are actually moving the venue out to the fairgrounds, the same place as the Hog Waddle Country Concert and Cook-off was located. Because the venue of the Heavin Memorial Park is going to be too small, to hold the event. You see a, a proposed promotional budget in there as well, which has been established from Luis who was also in charge of the event last year, who is working with Art Garza as he did last year.

Jose L. Morales: Are, are we using the same one from the Hog Waddle Country Concert? Because that what is, is, is up on top, or at least listed.

Rachel Siller: Yes.

Jose L. Morales: So we are using the same identical outline?

Rachel Siller: He, I don't think he changed the, the title. But it's, it's the same type of marketing. He's focusing more on the electronic and digital marketing. We're having some outreach as far up as San Antonio. We, we want to reach out beyond the Valley, for the, the visitors to come in. Because we did have visitors from San Antonio and even north last year.

Jose L. Morales: Now, are we gonna be using the same marketing techniques that we used in the Hog Waddle, since we are following that exact layout?

Rachel Siller: There will be similar, it won't be exactly the same, but it will be similar.

Jose L. Morales: But packages, are they still available to the media. 'Cause I know I seen a lot of commercials from the, for the Hog Waddle.

Rachel Siller: I don't have that answer for you, I can ask Luis tomorrow and get back to you.

Jose L. Morales: OK.

Mayor Ben Gomez: I have a question. Can you unlock the (microphone button noise). On the television advertising like Spectrum 2,600. How many commercials are we getting from the 2,600? Did they give you a number?

Rachel Siller: I don't have that, the specifics. These are proposed with estimates based on the previous couple,.

Mayor Ben Gomez: 'Cause I know one year we did it with the tv, I saw the commercial maybe twice. And, do we get a, how do I call it, how do we track if they do advertise per so many times for this amount of money?

Rachel Siller: What they do is they'll provide a quote. Once, once we get a little bit closer, he'll go out for the, the quotes, if he hasn't already. And that quote will say, we are going to run this 30 second commercial 64 times. If it's Spectrum, it'll even identify out the, the stations that they are gonna advertise on. And then when we accept that quote, after the advertising has run, we receive a report.

Mayor Ben Gomez: 'Cause I know that,.

Rachel Siller: The FCC requires that they, they generate that report. They provide that to us. I verify it against the quote. If they have performed exactly what the quote has said, we send it through for payment.

Mayor Ben Gomez: 'Cause I know the, the last ResacaFest, I saw that commercial maybe one or two times. But I know for the Hog Waddle, I kept seeing it and seeing it all the time. So, I don't know what's up with that. And, the, and we need to keep track. Because that's a lot of money to be just

(CONT.) ITEM 7. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST FROM THE CITY OF SAN BENITO FOR THE OCTOBER 13, 2018 SOUTH TEXAS MUSIC FESTIVAL, IN THE AMOUNT OF \$10,000.00.

spending on, on commercials. And, and if they're not gonna run, I mean we're just throwing our money away.

Rachel Siller: Yah, we do track them. I know for Hog Waddle it was focused on one or two channels. And Spectrum, it encompasses many channels to, to have a greater viewership. So it may only run 10 times, we'll say, on HGTV, but it may run 30 times on CMT.

Manuel De La Rosa, City Manager: We can pull the invoices.

Mayor Ben Gomez: Yah.

Manuel De La Rosa: Mayor, actually, the, when we actually get an invoice, they actually tell you what time slot and where it is.

Mayor Ben Gomez: OK.

Manuel De La Rosa: So it's all proposed how many times. But that's just,.

Mayor Ben Gomez: Yah, I'm just saying because I didn't, I didn't see a number.

Manuel De La Rosa: No, no, no, we can go, we can actually pull the Resaca.

Mayor Ben Gomez: I have a lot of time on my hands, but,.

Manuel De La Rosa: Because that is, before we pay it, we go, where'd you run it?

Mayor Ben Gomez: Yah.

Manuel De La Rosa: And, and it's got a listing for everything.

Mayor Ben Gomez: Yah, and I just seen that it doesn't show it here. I know that in the past,.

Manuel De La Rosa: That's because this I just asking.

Mayor Ben Gomez: It shows how many times it's gonna run.

Manuel De La Rosa: And then we will go out, because we've learned, that electronic media, it's much more than the print. Certain, it depends, for example, the, this festival, the ResacaFest. Well this is the South Texas, this is the one in October. It's a different group than what we had for the Cinco De Mayo, the ResacaFest. We're, there's different audiences. Obviously, the ResacaFest, on July the 7th, it's a more local audience. The, the bands that are playing are more local. And we're not trying to reach out as far. Right? Because it's, it's a free event. When we're, when we're reaching out further, like we did last year, and the one we just did here with Mark Chestnutt, it's a different audience, much more, the sponsorships were greater. So, knowing how we are selecting those, KTEX, country music, listening to those kind of listeners. It, it, all marketing packages are based on who the target audience is.

Mayor Ben Gomez: On the, also on this marketing packages, and stuff. How come we don't work with the, with the Mexican tv stations? We can promote across the border.

Manuel De La Rosa: We do, Entravision.

Mayor Ben Gomez: Like, like for this one, not for ResacaFest. But something like this for the Hog Waddle, and stuff like that.

Manuel De La Rosa: Entravision, for example, has. And they carry certain markets in Spanish. And plus, for example, the same like we are doing the, the City is already doing the marketing for the Los, the Los Indios Bridge. There is boot legging of these American, these shows, so we're already and we know, because they, they track that, so we already know what our markets are even, even in Northern Mexico. Which is how we're doing the marketing for the bridge.

Mayor Ben Gomez: OK.

Manuel De La Rosa: So, we, we have a lot of conversations, we don't go with any one, and we talk to everybody across the spectrum.

Mayor Ben Gomez: OK.

Jose L. Morales: OK.

Mayor Ben Gomez: Thank you.

(CONT.) ITEM 7. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST FROM THE CITY OF SAN BENITO FOR THE OCTOBER 13, 2018 SOUTH TEXAS MUSIC FESTIVAL, IN THE AMOUNT OF \$10,000.00.

Jose L. Morales: Manny, now, now that you are, how successful, or, or Rachel, how successful do you think this was last year for us?

Rachel Siller: I know that we definitely had an increase of sales tax and the hotel occupancy.

Jose L. Morales: And the proceeds, did this actually come to, I mean, who keeps them proceeds, is it Parks, is it Events Board?

Rachel Siller: This is a City function, it's not an EDC function. It's coming out of general City.

Jose L. Morales: Yah, but, did, but was there a profit? I mean, did ya'll?

Manuel De La Rosa: Yah, the, Mr. President, yah, I think what you are trying to say, is, is if you'll look at what the strategy has been since last summer when we implemented this cultural arts, these music events. We have seen an increase of about over ten percent in sales tax. A lot of that is promotion, marketing. Where our are, what we are trying to do is break even on these events. But it's that name recognition, that destination. So when people are coming here for these events, they are stopping in our stores. And we're seeing that, so, remember, we're not advertising to the 25,000 citizens that live here. We are bringing dollars from McAllen, and south, and north, getting them here. And we have seen an increase, steadily, for the last year across our sales tax. I mean, you've seen in the San Benito News, very often.

Mayor Ben Gomez: And it's a free event, too.

Manuel De La Rosa: So, so, free events, it's all about recognition, getting San Benito that, we have events, come visit us. And while they're here, there are other,.

Jose L. Morales: Shopping.

Manuel De La Rosa: Shop, yes.

Jose L. Morales: Put gas and all that.

Manuel De La Rosa: Exactly.

Jose L. Morales: I understand its intentions. I just wondering if there's any proceeds, whether we do make a profit, and how great is that. 'Cause I can see us funding this \$10,000 every next year.

Manuel De La Rosa: Yes, look at your EDC, the revenue stream. You're seeing and that's where that the sales tax. Because that sales tax is not going to the City. The City sees it's sales tax. EDC, your revenue has been increasing if you compare last year to the year before. That marketing strategy has been pay, has been paying,.

Jose L. Morales: I'm sorry. (inaudible) I'm glad that you said that. So the question is, did we meet our \$10,000?

Manuel De La Rosa: Oh yah. Yes sir.

Jose L. Morales: OK. That's where,.

Manuel De La Rosa: Yes sir.

Jose L. Morales: That's where I was actually going with that. I'm glad to hear that.

Manuel De La Rosa: Yes.

Jose L. Morales: I'm sure the Board is glad to hear that. Any other questions? OK. Do I have a motion for approval?

Julian Rios, Vice President: I motion to approve.

Jose L. Morales: I have a motion, a motion by Mr. Rios to approve. Do I have a second?

Priscilla Guajardo, Secretary/Treasurer: I'll second.

Jose L. Morales: OK, I have a second, Priscilla. OK. All in favor say Aye.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L. Morales: OK, all opposed? OK. Motion passes. We'll move on to Item number 8.

MOTION CARRIED TO APPROVE THE FUNDING REQUEST FROM THE CITY OF SAN BENITO FOR THE OCTOBER 13, 2018 SOUTH TEXAS MUSIC FESTIVAL, IN THE AMOUNT OF \$10,000.00

ITEM 8. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$10,000.00 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM SUBMITTED BY MR. DAVID PEREZ, SAN BENE PROPERTIES.

Jose L. Morales, President: Considerate and possible action to approve the funding request of \$10,000.00 from the Downtown Commercial Façade Grant Program submitted by Mr. David Perez, San B, San Bene Properties. Rachel.

Rachel Siller, Coordinator: Rachel Siller for the record. Before you is a request from our Façade Grant Program, from Mr. David Perez. He is from San Bene Properties. He has recently purchased the property down, right next door to Trunk Full of Junk, on South Sam Houston. In your package you can see the renderings that he has along with an example of other facilities that he has renovated. His application meets all the guidelines, the funding is still in the program. Do you have any questions?

Jose L. Morales: Ya know, I, I see, that we had a tenant of a church there. Is, is that, anything that, that holds us back from doing anything, helping?

Rachel Siller: I reviewed that, and it's in compliance, because,.

Jose L. Morales: Good.

Rachel Siller: It's not the majority.

Jose L. Morales: OK. That's, that's the only question I had.

Julian Rios, Vice President: Thank you Mr. Perez for investing in our City. We appreciate it.

Rachel Siller: Did you want to make any comments?

Jose L. Morales: Would you like to say anything sir?

David Perez, San Bene Properties: Sure. Thank you guys. I don't know if this thing is on. There we go. Thank you of course for letting me present this to you. We've, I've already done one project here in San Benito, which is just a block up the street. We did it about seven year ago. We made an investment in the City. You know, I'm not, I don't live in San Benito, I live in Rio Hondo. But my family was all raised here. So I've been part of this community for many years. We do sponsor local events. We do a lot, and so this is an upgrade for our facility, as we're going to be employing more people in this facility than we've ever employed before. Right now, we actually just brought tax dollars. I brought thirty-five people from different states that are actually here visiting this facility, as well as our, our venues that we're going to be hosting events. And so this is just going to be a showcase for us. And we're going to call this our home for our corporate headquarters, for a business called Freedom Insurance, or Freedom Financial Centers. We've got representation, or actually presence, in about seventeen states and growing as we grow every year. And every year we grow by leaps and bounds. So of course, this is home for me and for our, for our team, and so we just want to have a great facility. I've always had high standards for everything that I do. And so, when we make this renovation, it's going to look great. We're going to make the City proud. I promise it is going to look great for you, and for everybody who lives here. Because I, I, like nice things. I want my stuff to look good, and I want my team to feel proud of their home.

Jose L. Morales: Thank you Mr. Perez. Thank you for calling us home.

David Perez: Yah.

Jose L. Morales: Appreciate it.

David Perez: No, thank you. Do you have any questions for me?

Jose L. Morales: I think you answered them all.

David Perez: All right, great. Thank you very much.

Jose L. Morales: Do I have a motion to approve?

Julian Rios, Vice President: I motion.

Jose L. Morales: A motion, a motion by Mr. Rios. Second?

Jeremy Maya, Board Member: I second.

Jose L. Morales: Second by Jeremy Maya. All in favor say Aye.

(CONT.) ITEM 8. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$10,000.00 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM SUBMITTED BY MR. DAVID PEREZ, SAN BENE PROPERTIES.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L. Morales: All opposed, same. Motion passes.

MOTION CARRIED TO APPROVE THE FUNDING REQUEST OF \$10,000.00 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM SUBMITTED BY MR. DAVID PEREZ, SAN BENE PROPERTIES.

Rachel Siller: OK, Mr. President. At this point in time, Mr. Gonzalez has arrived. So we would like to move Item 13 in this spot.

Jose L. Morales: OK. We're gonna, at this time, we're gonna move Item 13 before number 9.

ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

Jose L. Morales, Board President: Item 13 reads, consideration and possible action to approve Resolution 2018-014 by the San Benito Economic Development Corporation Board of Directors, setting Public Hearings in expenditure of sales tax revenues relating to various projects, Providing notice of specific projects or type of general projects to be constructed, Approving and authorizing the publication of notices to Public Hearing relating to these matters, and other matters in connection therewithin. We have, Mr. De La Rosa, presenting, City Manager and Mr. Don Gonzalez, Estrada-Hinojosa & Company. Welcome Mr. De La Rosa, Manny.

Manuel De La Rosa, City Manager: Mr. President, Board Members. We have with us Mr. Don Gonzalez, he is the City's Financial Advisor. Don Gonzalez is with the Firm with Estrada-Hinojosa out of San Antonio. He did inform us earlier that his flight got delayed due to the weather, and he has a flight out this evening, so we, we very much thank you for taking this agenda item out of order. So, he was here Tuesday before the City Commission presenting a financial analysis based on assumptions that we have been working on. To bring you up to speed, you were provided a, a press release. The City staff has been working on some capital improvement projects, and how we go about handling that. Some of them are mandate, some of them are other capital improvements. And then, some are project the City Commission is trying to determine how do we fund these projects, so I gave them some options. The City Commission for probably the past six months has been considering Public Private Partnerships, has been considering other developers coming in. None have come to fruition. Based on the City's financial standing, it's financial standing, our, our, our rating, municipal bond seems to be the most viable option. Mr. Gonzalez can, can walk you through what those ratings are, why we have them. But municipal bonds are one of the, the viable options. It's better than the banks can give. I've had, I see Commissioner Guerra in the audience, he has brought bankers to me, brought the USDA before me, Congressman Filemon Vela's office before me, or the representatives. Therefore, we have been looking at funding options. Conversations of this, the Certificates of Obligations actually started, probably out of my office over a year ago. Since my employment, two and a half years ago, we knew that we had a certain time line to meet certain capital improvements that we were under stamete, state mandate, those costs are coming in roughly about seven and a half million dollars. We have other infrastructure that's failing. The City has a lot of projects that it, or a lot of need, more need than resources. One of the functions that the EDC does is economic development. And I had a conversation Mr. Guerra, and I've had it with some of you, and I certainly know I've had it for the last two years with the various elected officials that I work

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

for. You want to recruit businesses? Get your infrastructure in order. If you don't have decent water services, decent sewer services, decent roads, you can incentivize all you want, but they won't come because you can't sustain the infrastructure that you need to provide them. And that's just very basic economic development. OK. They are going to drive our roads. When we have a water main on Business 77 breaks and it shuts down restaurants, when, when we have sewage that, you know, when lift stations, and I've got six lift stations right now that are on portable pumps. The mandate that we're under, these, these infractions that we had, environmental infractions occurred in 2009 and 2010. The City offered some type of concession in December 2011. October 2012 the State, the TCEQ, the Texas Environmental, the Texas Environmental, the Texas Commission on Environmental Quality, said OK, we are gonna hold you to these and give until March of 2023. OK. So I've got a timeline to try to meet certain improvements to keep the City by, from having any other hardships placed on it by, with penalties and so-forth. So, therefore, this plan has been thought through, we put a lot of assumptions together, we're, we're providing some options. We spent a good amount of time Tuesday. We had a recent elections, as you are aware of, in May of this year. Very quickly, we got into something that we needed to figure out, now we've got a, a Commission, we've got the elections behind us, now we need to get back to the basics of, of running the City. How do we address these infrastructure issues? This is the same conversations I've had with my five elected officials, the ones I serve, and the ones I've said this is the options and I am trying to get you to where you need to be. So, part of it now includes getting \$2 million out of the EDC to, to make water and sewer improvements. OK. In 1994, you had an election. That election changed the 4A to a 4B and allowed these projects. This is one of those listed projects. And Mr. Morales, correction, Mr. Morado, can, can walk you through that. I've had a lot of conversations with Mr. Don Gonzalez. We met back in October of last year, discussed at some length, we've been working through this. Looking at what our finances look like. More as we got closer to the elections, and then afterwards I pulled that trigger and said this is the plan that I am going to propose to the Commission, these are the assumptions that we've got. Is it workable? So, based on my, my conversations with the Financial Advisors, with the City Attorney, and then more, more recently with the Bond Counsel, we've got, you, the City has a lot of professional consultants that it contracts with. So, we spent a lot of time and effort trying to put a plan together to keep the City moving forward. So at this time, I'm gonna, this is Mr. Don Gonzalez, I'm gonna let him take it over from here.

Don Gonzalez, Financial Advisor, Estrada-Hinojosa & Company: Thank you. Thank you and good evening. I apologize again for being late due to the weather. But it's a great honor to come before you. I had a chance to present to the City Commission this past Tuesday. There was a workshop, I think, about three weeks before that, where we went over a lot of information that I will be presenting to you. So, if you have any questions, feel free to ask me as we go along. I, I do appreciate the introduction by the City Manager, because the information that we are going to be presenting really is to address the backdrop of the issue that the City is facing. And he is absolutely correct, from the economic development perspective, all of these things go hand in hand in terms of being able to work through the financial needs and the economic development and infrastructure needs of the City. So with that, I'd like to go ahead and get into the presentation. On page one, this is the financing team that we have outlined and presented to the City. The City of San Benito would be the issuer of the debt. Our firm, Estrada-Hinojosa & Company, serves as Financial Advisor, Norton Rose Fulbright as Bond Counsel, and we have Senior Managing Underwriter of BOSC and Co-Manager of Hilltop

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

Securities. The underlying credit ratings for the City are A1, A, and A+ by Moody's, S&P, and Fitch, respectively. And one of the things I wanted to do is kind of stop here for a moment because one of the questions you might ask is 'Well, the Economic Development Corporation, you have the ability to issue bonds. You know, why aren't you issuing the bonds?' Now I would say, for, for a couple of reasons. And we've actually explored this back in the 90s with the Economic Development Corporation of San Benito, as well as in the early 2000s. And the ratings of the City are higher than what they would be for the Economic Development Corporation. Primary reason is the Economic Development Corporation has one revenue source, that's sales tax revenue. That sales tax revenue, even though it's been fairly steady, is not such that you would derive sufficient revenues to get a very high rating. Those ratings are very much dependent from a debt perspective on having coverage pretty close to about two times. So for example, if you had a hundred thousand dollars of debt per year, after you've paid all of your expenses, you would need to have two hundred thousand dollars worth of net revenues to cover the debt service, which is principal and interest, by two times. So, that, that's one issue. The second one is, you would need to have a reserve that would be funded with cash, or a bond insurance policy. Bond insurance policies really aren't feasible for smaller transactions. For a large transaction, they'll provide it. So that means that you'd have to fund cash of about a hundred thousand dollars that would sit there in reserve that cannot be touched as long as those bonds were outstanding. So bonds, in this particular case, go out twenty years, you would not have access to those funds for twenty years. So there's, there's, a number of considerations, with the City's strong credit rating, if the inter, if the Economic Development Corporation were to enter into an Interlocal Agreement, which it has done in the past, then it can fund infrastructure improvements that would benefit both the EDC and the City, and all you have to do is transfer one times, just the amount of a hundred thousand dollars, for example, over to the City to pay debt service on a portion of the projects. So, you don't have to worry about coverage. Nor do you have to worry about reserves, and setting that money aside for that period of time, those would not be requirements. Under an Economic Development Corporation Sales Tax Revenue Bond, those would be requirements that you would have to, to deal with. So it's more economical. You get a lower interest rate by utilizing the City's credit rating, the coverage requirement goes away, and funding a reserve requirement goes away. So it's a win-win-win, if you will, for the EDC and for the City to jointly pursue projects, particularly if they are infrastructure related, because you get more bang for your buck, and the City is able to lessen the impact of the tax rate, and in that particular case, more people would be inclined to want to come to San Benito because the tax rate won't be going up as high because you are funding some of that infrastructure using your sales tax revenue. But only having to use that portion that would be go directly toward debt service, not necessarily for coverage or for funding a reserve fund. So I wanted to kind of lay that out, from a more of a purely financial perspective, and how that benefit translates into a lower tax rate, which is an economic development benefit for the, for those here in San Benito. Any questions on that explanation?

Jose L. Morales: Yah, I, I, I just have some conc, I just have some concerns in, in regards to this matter. I, I, I, really looked into what we can and can't fund. And you are absolutely right, it's to best interest to team up with our, our City on infrastructures to, to bring in new business and so-forth. But that's all we can do. I cannot repair, legally repair, any existing lift stations or water lines or anything of infostructure because it's not pertaining to our Section Code of 501.103, which in, I actually, actually talked to Austin in regards to, because I am trying to find the funding, or the loophole to do

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

so. They told me it can't be done. I just got the call in at 5:00, right before this meeting started, from Gill, who works directly for the State. And told me that, you can't, unless it's new business coming in, infostructure is being built to accommodate that new business. So I understand what you are saying, and what we'd really like to do, in, that world, man, that would be the great thing to do. Because we do, and the City does need help. Unfortunately, EDC cannot fund current projects. It has to be new development, under 4B, and that's, what we reaffirmed by the State as well, so I just don't know how much further we need to go, or we should go, you know. What understanding what I'm reading here, and I really looked through it all. And I mean I even asked for the handbook to try to find that area, and I just, I just couldn't find it. And, I, I really tried to do my due diligence in doing, 'cause and there is nothing more than the EDC would want to partner up, but we have to have the proper projects to team up with. We cannot have illegal, or could be illegal action, if we took action on it. 'Cause we're basically is what we would be doing. And I just, we just can't do it at this particular time, for this particular project. In the future, we got new business coming in, new infostructure going up to attract business, or to accommodate that new business coming in, then we're all for it. Just, unfortunately, our hands are tied at this particular time, for this particular project.

Don Gonzalez: I, I appreciate that. And I know one of the things that was explored earlier in the week with bond counsel, and they're not here. But I know they had a conversation with the City Manager and City Attorney about making sure that the projects that, that the City is looking to do, do qualify. So the lift stations, for example, would not be the ones that the money would be used for in terms of the, the transfer from the EDC to the City. So the projects that would be funded from the EDC are allowable projects. We've already cleared that with the,.

Jose L Morales: What are them viable projects? Manny?

Manuel De La Rosa: I think it, it would better if Mr. Morado.

Jose L. Morales: OK.

Ricardo Morado, Attorney: Yes, 501.103, I don't have it committed to memory, but I had a discussion with Arnold Cantu, who is working for Bond Counsel for the City of San Benito. 501.103 allows the funding of expenditures found by the Board of Directors to be required as suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities and so forth. So,.

Jose L Morales: That is absolutely the code that I am reading. And, and, I, I, that's what I am saying. What are the viable projects? Because if the viable projects are there is new businesses coming in and there is expandable business happening, then, yes, we we're we can do it. But if it's not, we can't.

Ricardo Morado: No, no. It doesn't have to be linked to a specific project at this point, a specific business. What it is, is if the Board finds that these improvements promote new or expanded business opportunities, then, it's a viable project. And Bond Counsel has read that, and they concur with, with, with that, that interpretation of the statute. In addition to that, the, the, the, election that was conducted in 1994 to convert the precursor to this organization, from a 4A to a 4B, included as a specific category of projects to be funded, water and sewer utility improvements. And that had, that was voted upon on by the public, so because of that, the only procedure that this organization needs to follow if it were to approve that type of project, is the publication of notice for hearing. There would be no right of referendum on the part of the public to petition against the project. They could

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

speaking at the hearing, but they can't file a petition to challenge it, because it's already been approved by the election that was conducted in 1994, when this organization became what it is now, a 4B.

Jose L Morales: You, you're absolutely right. There was a time in, in, in EDC 4B that we could do it, except that time has expired September 1st of 2017. There are no longer applicable as of September 1st. And I, I have it right here. I have, kind of highlighted it all for you. Just to, in other words, I tried every avenue to try to, to do this. Because I, I was looking for the loophole. I, I really was. Because there is nothing more than I would like to do, than to fix our problems. And, let me just come back to it here. And, I, I seen that, and I seen there was a time that we could have done it. Just, that time has expired. And, and, what, you know, what I'd like to do, really, is, is make a motion to table this so that you can do your due diligence, and research, collaborate with what I have. And then we'll go to the higher authority than other legal counsel, and just go straight to the State, just to hear also their interpretation of what you tried to read at Section 501.103. Because they, the interpretation that I got from them was exactly the way I had interpreted it. I just wanted a confirmation of it.

Ricardo Morado: Mister.

Jose L Morales: So,

Ricardo Morado: Mister.

Jose L Morales: So, if we can just table this particular item.

Manuel De La Rosa: Yah.

Ricardo Morado: Mr. President.

Jose L Morales: Then, then, we can, we can. Really, just, so we don't do anything illegal.

Manuel De La Rosa: Mr. Morales. I'm going to disagree with you. This is why. Our Bond, our Bond Counsel has already had a conversation with the Attorney General's Office. So, we are talking with guys with a lot of experience. These projects have already been vetted. We have already had these discussions. And, and even before we came before you. Those conversations have already been had between the Attorney General's Office. You have to understand Board that, before this even gets approved, beyond your signature, it has to get approval from the Attorney General's Office and State Comptroller's Office, OK. So, Mr. Morales, it doesn't all lie with this Board, and doesn't certainly lie all with you. But it does lie,.

Jose L Morales: And nor does it,.

Manuel De La Rosa: It starts, it starts with that process

Jose L Morales: With all due respect.

Manuel De La Rosa: The process moves forward. And then, these oth, these State agencies, and I'm sure that you probably spoke to somebody at some State agency. And so have we. This is the business that we're in.

Jose L Morales: Well, as President, and as you as City Manager, says we are in disagreement, then I make a motion to table this item, just til we clarify and get all clarifications done just so we are all following the legal stature that pertains to the 4B EDC corporation, 'cause that's who I'm responsible for. You're responsible, of course, for your entity, but right now, sitting as President, that's what I'm going to make a motion to do. Do I have a second?

Julian Rios, Vice-President: I second.

Jose L Morales: I got a second. OK. By Mr. Rios. Motion is to table this particular item for further clarification to make sure that we are in legal standards to follow through and help and assist the City

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

in any further matters. OK. Now, thank you for your time sir. I'm sorry that we, that we couldn't come to a resolution for this bond. So we're gonna make a, all those in favor, say Aye.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L Morales: OK. All opposed? OK.

Priscilla Guajardo, Secretary/Treasurer: I oppose.

Voting Nay: **Priscilla Guajardo, Secretary/Treasurer.**

Jose L Morales: OK. I have one opposed, by Priscilla. Majority vote is to table this item, so we will table this item. Thank you.

MOTION CARRIED TO TABLE POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH UNTIL FURTHER INTERPRETATION IS PROVIDED REGARDING THE LEGALITY OF THE PROJECT.

Don Gonzalez: Thank you very much.

Jose L Morales: Moving on to Item number 9.

Mayor Ben Gomez: I, I just want to make a comment.

Jose L Morales: OK sir.

Mayor Ben Gomez: I am hearing two different things. And, I just want to clarify what's going on. And, and we need to do the right thing. And I don't know which is the right thing right now, 'cause I'm hearing different from you, and I'm hearing different from you. So, I think this is the right way to go right now. And, and see what's going on. I really want to sit down with someone that really knows what's going on. 'Cause we don't want to do nothing illegal. San Benito's been in enough trouble. So, I, I, agree, I mean,.

Jose L Morales: Thank you Mayor.

Mayor Ben Gomez: We need to see what's going on. 'Cause I'm hearing different sides. I'm hearing two different things. And, now I'm getting confused.

Manuel De La Rosa: Yep. And that it is Mayor, and we will.

Mayor Ben Gomez: Let's clarify.

Manuel De La Rosa: Yes sir. But based on the, on what the City Council did at the meeting, it just takes this part of the equation out of it. And, and we'll go back to the Commission because, the City Commission did vote on it. Its, it's got, it's part that it did. It takes the EDC out.

Jose L Morales: Well, I'm glad that you brought that up Manny, because you, you actually went and put the cart before the horse. You should have came to the EDC Board. You have no authority to speak for the EDC Board, or to even put out even a publication or public release saying that you could use any of the EDC funds without the Board's authorization. And then you go to Council. That's the actual procedure. Whoever's giving you the authority to do otherwise, I, I, I, think that they need to relook at that.

Manuel De La Rosa: Mr. President, my authority comes from the City Commission and not from you. I, I work for the City Commission.

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

Jose L Morales: So does my authority as, as President here sir. That's why we're, we're at discretion right now, that's why we need to get legal counsel to find out where we stand, and to find the interpretation of the laws, so we're both really obviously pretty different. It's nothing personal sir.

Manuel De La Rosa: No sir, no.

Jose L Morales: We just need to do the right thing.

Manuel De La Rosa: But you along with every member of this Board is appointed by the same City Commission that just approved this. So, Bond Counsel, we have two Attorneys that, that work for a law firm that represent the City and has in the past. Financial Advisors. These are the guys that actually have these degrees, these certifications. Mayor,.

Mayor Ben Gomez: Yah.

Manuel De La Rosa: Unless somebody is saying we didn't talk to the Attorney General's Office, that conversation we can put you in contact with the Attorneys, and you can have that. But, we are under a timeline.

Mayor Ben Gomez: No, I understand.

Manuel De La Rosa: So, and, and it is.

Mayor Ben Gomez: We need to move fast on it.

Manuel De La Rosa: Yes sir, oh, and we do. Because the timeline, because of the budget process. Again, Board, with all due respect, but, I do work for the Commission, and not for the Board. So, we have to bear that in mind. My authority comes from Resolutions, from Bylaws, from Ordinances, and from a Charter. And you're appointed by the elected officials that just approved these Resolutions at Tuesday's meeting.

Mayor Ben Gomez: Yah but, we, we approved, but I hadn't heard this side.

Manuel De La Rosa: Yes sir, I understand.

Mayor Ben Gomez: I'm, I'm hearing two different stories.

Julian Rios: The City Commission approved something that we never,.

Jose L Morales: Were presented.

Julian Rios: Correct.

Mayor Ben Gomez: And, and, and I'm hearing two different things now. So, it's kinda like,.

Ricardo Morado: No, no that's not really correct. What the City Commission approved was the possibility of borrowing up to,.

Mayor Ben Gomez: The money.

Ricardo Morado: A certain amount of money. And in that possi, in that possibility, one of the things that was going to be requested, was funding from the EDC to the tune of two million dollars to fund part of the utility improvements. But it's all, it's all up to, it's not a, a, a definite, or,.

Julian Rios: But, but what we're being told is,.

Manuel De La Rosa: The notice.

Julian Rios: We are being taken out of that equation, because the City Commission already approved it.

Manuel De La Rosa: No sir, you are not out of the equation because,.

Ricardo Morado: No. No. Let.

Jose L Morales: But that's what you just said though.

Manuel De La Rosa: That we want to publish is to see this as a project. It's a sixty-day period. You're not signing a contract tonight. It get, it allows us to keep moving forward. There is plenty of time to make sure that everything's in order. What you are doing is you are stopping a process from even starting, so,.

Julian Rios: Until we get clarification.

Manuel De La Rosa: We have sixty days, that's why this notice.

(CONT.) ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2018-014 BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS, SETTING PUBLIC HEARINGS ON THE EXPENDITURE OF SALES TAX REVENUES RELATING TO VARIOUS PROJECTS, PROVIDING NOTICES OF THE SPECIFIC PROJECTS OR TYPE OF GENERAL PROJECTS TO BE CONSTRUCTED, APPROVING AND AUTHORIZING THE PUBLICATION OF NOTICES OF PUBLIC HEARINGS RELATING TO THESE MATTERS, AND OTHER MATTERS IN CONNECTION THEREWITH.

Jose L Morales: You started a process without going through due process, sir, with all due respect.

Manuel De La Rosa: Mr. President, I started two and a half years ago because I've got a job to do.

Mayor Ben Gomez: On, on the last page, I think we have a, a, timeline of events. If you all go, tentative timeline of events, I think it was the second, third to the last page. And this is what, right, this is the way.

Manuel De La Rosa: Yes sir. My recommendation was to let the process go through to let you be explained what exactly what the funding mechanism from the City is, explain that whole notice of the, the project publication, it has to be done with sixty-day notice. That's also done. We have, that gives us plenty of time to get back to get you what you need, and the Commission. But, you know, what I find, is I find offensive is that I have presented the City Commission that I haven't thoroughly vetted. That is not my MO.

Jose L Morales: Or nor is mine sir. So we doing our due diligence.

Manuel De La Rosa: So.

Jose L Morales: To come with different resolutions, so we need to clarify them which is why this Board has moved to table the item for further clarification. Thank you sir.

Manuel De La Rosa: Thank you.

Jose L Morales: OK. Moving on to Item 9.

ITEM 9. UPDATE ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Jose L Morales, President: Update on the USDA Small Business Loan Program. We have Rachel Siller, Economic Development Coordinator presenting.

Rachel Siller, Coordinator: Rachel Siller for the record. Before you is the loan program report for period ended May 31, 2018. We did not have any program inquiries. Our account balance was \$259,890.15, with available for funding of \$203,447.11. Below that, you have the monthly loan payment totals. For principal, interest, late fees, and monthly ILS fees, along with the bank interest. You will notice May had a much larger bank interest entry. The reason being is the note underneath. We were consolidating accounts in our, in our accounting software, and there was some EDC match money that had gained some interest, that was loaded into that account. Does that make sense?

Julian Rios, Vice-President: Which page is that?

Rachel Siller: Page one. OK, your next page outlines your loan recipients. These are all charts that you receive on a monthly basis. I know, Mr. Guerra, this is your first time reviewing this information, so I am going to go through it a little more thoroughly than normal. In your loan recipients, it talks about how much the loan was, what their outstanding balance is, what their interest rate is, and when they are due to mature. Mr. Perez, who you spoke with earlier, he does have two loans out with the, this program. And one of his loans will be maturing this fall.

Jose L. Morales: OK.

Rachel Siller: Below that is our USDA payments. We make two payments a year, because we have two different loans. The loans to the USDA, because of the way the program works, is we have our loans to the USDA, then we take that money out and loan it out. Our loan payments to the USDA are for thirty years at one-percent interest, with one payment per year. So IRP number one is due to mature in 2044, it has an annual payment of \$10,200.24 in December. And then IRP number two is due to mature in 2048, it has a July annual payment, it's 16,000 and change. Last year the payment was only interest, because for the first two years it's interest only. So we'll start paying principal and interest this coming year. And that information will be updated at the next meeting for you. Then behind those, are the reports that come in from ILS. We'll only have one more month of ILS reports,

(CONT.) ITEM 9. UPDATE ON THE USDA SMALL BUSINESS LOAN PROGRAM.

then we'll start receiving the reports because that collection is coming in-house. Because the, the ILS contract terminates the last day of June. Any questions, comments, concerns?

Jose L. Morales: Yes ma'am. We still have monies in the USDA loan program, correct?

Rachel Siller: I'm sorry, can you repeat that? I was coughing.

Jose L. Morales: We still have monies in the USDA loan program?

Rachel Siller: Yes, if, you recall at the beginning.

Jose L. Morales: Right.

Rachel Siller: Of my report, I said available for funding.

Jose L. Morales: Right.

Rachel Siller: Is \$203,000.

Jose L. Morales: 2,000?

Rachel Siller: 203,000.

Jose L. Morales: Right, OK. Now, are we pursuing anybody else to do that? Because I know that was a problem I had with Reyna. They, I didn't see them, them working with enough businesses to try to get that money. Because we can't apply for more money until that money is gone, is that correct?

Rachel Siller: We will always be receiving that money coming in. That interest is used to pay,.

Jose L. Morales: The loan. I, I, I understand that.

Rachel Siller: The USDA back. The principal has to stay there to keep money available for loans.

Jose L. Morales: Right.

Rachel Siller: We do, if you recall previous meetings, I have informed the Board we do post the loan program on our website and on Facebook.

Jose L. Morales: OK. Who, who's going door to door, asking businesses if, if they want to take advantage of the loan program? Kind of like what Reyna used to do, or the lack of doing, better yet said. Who is doing that for us currently, right now?

Rachel Siller: At this time, we are not going door to door to offer the program.

Jose L. Morales: OK.

Rachel Siller: The, the program is publicized. Martha just did a story last week, that, that hit the newspapers, and it was also included in some press releases,.

Jose L. Morales: OK.

Rachel Siller: That went out.

Jose L. Morales: OK. I think you answered my question. Any further questions in regard to the updated USDA Small Business Loan Program? Alright. Thank you Rachel for the update. We are going to move on over to Item 10.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

Jose L. Morales, President: Consideration and possible action to approve removal of the interior improvements for property on 2550 Expressway 83. Rachel, Rachel presenting.

Rachel Siller, Coordinator: Rachel Siller for the record.

Jose L. Morales: Siller for the record.

Rachel Siller: Before you is a request for consideration to remove the interior improvements of the building that the EDC owns out at 2550 Expressway 83. Everyone calls it the old Kid's Roundup Rehabilitation Center. That building has been vacant since 2012. It's been vandalized. There is very little copper left inside. HVAC units gone. Mold has, has now taken residence inside. It is not environmentally controlled at all. There's no electricity, no water. You know, you walk through with your flashlight.

Mayor Ben Gomez: I thought that building was gutted. It's not gutted completely?

Rachel Siller: It is not gutted, no.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

Jose L. Morales: Well, well, if it was worth anything, it was gutted?

Rachel Siller: Pardon.

Mayor Ben Gomez: No, no, no. Because I had heard, right, a long time ago, I had asked about that building. Because I had somebody to go look at it. And you told me that building was gutted. Didn't you tell me that?

Manuel De La Rosa, City Manager: The components have been stripped. It's been.

Jose L. Morales: Value.

Manuel De La Rosa: Mayor, I think there is a misunders. The AC's are stolen, everything's been pulled, wire, its' just been left in dis, disarray. There's nothing there, other than the walls and dropdown ceiling. What we're just saying is, let's just go ahead and remove it. Anything they had of any value has been long time stolen.

Mayor Ben Gomez: Oh, OK.

Manuel De La Rosa: So people see it, and they go, Oh My God, we gotta do, really. Well yah, the only thing that is really of any value there is the shell building. So, that.

Mayor Ben Gomez: So, so for this, what, we are gonna go in there and just completely strip it from the inside, or what?

Manuel De La Rosa: Yes, what we are saying is that we would utilize employees to go, yah. I mean, we use our employees because we charge. If not, you get an outside contractor that,.

Mayor Ben Gomez: Oh yah.

Manuel De La Rosa: But it is, just take it out. Because that's, the, when we show it for rental or for lease, or whatever it is, they go, they look at the walls and they go, oh, oh my god, this is horrible. So, and, and that's the, the whole issue. It doesn't have any curb appeal when you're inside. It looks abandoned.

Julian Rios, Vice-President: I, I did have some questions that I had emailed Rachel, but, you know, regarding to the interior of the building. You know, why demolish it, or something. But if it's completely the way you just described it, no copper, no,.

Manuel De La Rosa: All the electrical, everything's been pulled, yanked out. Yes sir, yah, that's what I mean by, by, by gutted. I mean, anything that had any value. So, if anybody's gonna go in there, it's just the structure now. There's no load bearing walls across. So we're just saying we'll just keep the shell building, and it becomes a tenant build out. Yah.

Julian Rios: Sell it, sell it as a warehouse.

Mayor Ben Gomez: So, so that's the building that went, went up in appraisal, right?

Manuel De La Rosa: Yes sir. Based on the land.

Mayor Ben Gomez: I see.

Manuel De La Rosa: Because of, it's all land. We argued that, and they said, but the building's not. And they said it's not the building, it's the land. And that was based all on real estates along 83. Yah. All along the expressway, and that's what they based it at. So, quite honestly you could demo it.

Mayor Ben Gomez: Did we, did we get any water in there, that flooding, or anything in there? 'Cause that should bring the appraised values down, no?

Manuel De La Rosa: No, I drove by, let me think. No, I drove by, as a matter of fact, I saw on the other side of the expressway, I saw almost across there's a little wooden structure, and that whole, that whole lot was full of water. But no, I mean, I mean, if we could have a nice little fire, but it's all, it'll probably, probably be worth more, I don't know.

Jose L. Morales: Mayor, we, we want to keep the value up of it. You know, with, with the new findings of that particular property. Under projects owned by Type B Economic Development Corporation, are exempt from local property taxation under the Section 1.11 of the Tax Code, and pursuant by Section 505.161 of the Local Government Code. We should not be paying taxes on it, so it's to our

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

advantage to actually have that, that as high. We just failed as a Board Member, or, or, as an entity to file the right documentation with the Appraisal District of Cameron County. I took the liberty of going to talk out to Mr., Mr. Molina, which is the Director. We've been paying taxes on property owned by the EDC for several years, which we should have never paid it. I have the application here, in order to file it for you. Mr., Mr. Molina's office got it to me. He said just file it, and file your Ordinance of when we became an EDC, and all tax, we will be abated all tax.

Mayor Ben Gomez: Just,

Jose L. Morales: We will no longer have to pay property tax on EDC properties.

Mayor Ben Gomez: Just for that property, or?

Jose L. Morales: All, all properties owned by a 4B Economic Development Corporation.

Mayor Ben Gomez: How many,.

Jose L. Morales: I just don't see how this fell through the cracks.

Mayor Ben Gomez: How many properties do we have that we are paying taxes on?

Rachel Siller: We have three properties. If I may President, I looked into that as soon as I started my tenure here at the City. And the buildings are not occupied, therefore, that exemption is not allowed.

Jose L. Morales: They are projects ma'am. Not occupied (inaudible).

Rachel Siller: I understand. But the project has to be occupied.

Jose L. Morales: Here is the application to be filed.

Rachel Siller: The project is not occupied, therefore, at the time, that I also spoke with CAD, and looked up at the statutes. Those exemptions are not allowed.

Jose L. Morales: Well, he told, he asked me to push them through. He says why don't you give them to me, they were never filed, he told me, he looked back, nobody had never filed them. So he exactly told me to my face this morning, I will get you the application so that we can do that. It would have to go to our City Attorney, it will be returned, if anything was returned, it 'cause of the lack of information 'cause it ain't filled out property. But we would submit it again, and the tax abatement would happen then. So, I, maybe retalk to him. Maybe he looked at what I looked at now. I don't know. But, I would check with him. Once again, I would check with him, it ain't gonna hurt us. To go back out there, you talk to the person you have to talk to, his secretary as well, or his assistant, Mrs. Valle, as well. She's the one that actually forwarded me the information that I needed in order to make that happen for us.

Mayor Ben Gomez: And how much taxes are we looking at?

Jose L. Morales: We're looking at approximately right now, we, right currently now with the new add-on of, for that property tax, there is an estimated \$30,474 just this particular item. I, right, 'cause right now, the other items aren't on the agenda, and I cannot speak for them. I'm just saying we need to start filing the right due, and going, just a little bit for filing tax abatement. I'll, I'll call for something to be put on the agenda.

Mayor Ben Gomez: Can, can you check, if they aren't occupied buildings or projects.

Jose L. Morales: They are projects, they are saying it's projects. The statement here, in, in my handbook,.

Rachel Siller: If we may sir.

Jose L. Morales: According to Texas Municipal League Economic Development Handbook. It just says projects, not that anybody has to occupy. And, and, of course, she found a different finding. So, once again, let's come to a resolution, through information, we'll do the right thing. Nobody in this room is as smart as all of us.

Ricardo Morado, Attorney: But.

Jose L. Morales: We all need to collectively put our minds together to find the best alternative for the Economic Development Corporation.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

Ricardo Morado: But we do need to get back on the agenda, which is consideration and action to approve the removal of the interior improvements.

Jose L. Morales: Yes, sir. But I asked if this, today, if I could discuss this under this, because it does pertain to this particular property.

Ricardo Morado: You can discuss it under an agenda item that, for next.

Jose L. Morales: OK. Then, we'll, we'll put it on the next agenda, which is what I was kinda referring to about talking about the other properties. Because that, other properties are not on the agenda, and I cannot talk for them. Since this one was, I thought we could, but counsel.

Mayor Ben Gomez: Nah, it was just a question.

Jose L. Morales: To, to put them out.

Mayor Ben Gomez: No, because we, it's, it's supposed to be paying taxes, and we've got more property, and we're paying taxes, that's why I had to mention that. I mean, I know we're off topic. But, I mean, that's a big concern to me there too.

Ricardo Morado: So, it's, we simply need to put it on the agenda.

Jose L. Morales: Yah.

Ricardo Morado: For discussion of.

Jose L. Morales: Yes sir.

Mayor Ben Gomez: OK.

Ricardo Morado: Filing.

Mayor Ben Gomez: Can we hold special meetings or something like? Do we have it in our discretion?

Ricardo Morado: On three day, on three days notice.

Mayor Ben Gomez: OK. You guys want to do that?

Jose L. Morales: Also, another question about that property to see if I can talk about it. This particular property is listed under the San Benito Industrial Development Authority Inc., which is our previous name. Can we up that name to the current San Benito Economic Development Corporation, or is there a problem with doing that counsel?

Ricardo Morado: It was, it was probably deeded to.

Jose L. Morales: OK.

Ricardo Morado: That's why.

Jose L. Morales: It's still listed that way.

Ricardo Morado: Yes sir.

Jose L. Morales: OK, so just, that's why.

Ricardo Morado: It's deeded to.

Jose L. Morales: OK, gotcha. I just wanted to make sure we are within our boundaries, because we are talking about putting more money into this particular, so I just wanted to make sure that it's under us.

Ricardo Morado: It's still yours.

Jose L. Morales: Good, beautiful.

Rachel Siller: And if we circle back to what Mr. De La Rosa was speaking about earlier, every time I go to show this property, everyone walks inside, and they say, whoaw. Because there's, there's mold, there's missing electrical.

Multiple Board Members speaking: (Inaudible.)

Mayor Ben Gomez: I wouldn't walk in there just looking at those pictures.

Rachel Siller: And everyone sees the tremendous amount of money that they would have to invest to gut that building, or renovate it. As soon as they open those walls, they are gonna find out more of the environmental damage that's happened. When we did have it structurally evaluated last year,

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

there are no load bearing walls, the roof is great, they say the structure is, is sound. And by, and we, we believe, when we were discussing it, if we take those, that, that interior out, it'll be a much more.,

Mayor Ben Gomez: Appealing building, yah.

Rachel Siller: Attractive building for someone to go in to occupy. They'd have a lot less cost to incur to go in.

Mayor Ben Gomez: Yah, it looks pretty bad.

Julian Rios: So, at the end of the day, what you're suggesting is selling a warehouse floorplan, open warehouse.

Jose L. Morales: Suspended ceiling, (inaudible).

Mayor Ben Gomez: Well, it depends on whoever wants to come in. If they wanna.,

Manuel De La Rosa: You can leave it.,

Mayor Ben Gomez: Right?

Manuel De La Rosa: That way, I mean, we're just making a suggestion.

Mayor Ben Gomez: No, no, no, no, I'm just saying even if we gut it out, or clean it out, it depends on who wants to come in. It's, it's not necessarily going to be a warehouse.

Manuel De La Rosa: No, no. No, no, no, no. We're just, for visual affect.,

Mayor Ben Gomez: Yah.

Manuel De La Rosa: You want.,

Mayor Ben Gomez: OK.

Manuel De La Rosa: You want us.,

Julian Rios: You'd give them a, an empty floor plan.

Manuel De La Rosa: Exactly. And they build to suit, they can build to suit.

Julian Rios: I motion to approve.

Mayor Ben Gomez: I don't know why we, we shouldn't clean it, 'cause it looks pretty bad.

Jose L. Morales: Any more discussion on this particular? 'Cause I have a motion from Mr. Rios to approve. Do I have any other questions? OK, then we'll take that motion, the first motion to approve. Do I have a second?

Jeremy Maya, Board Member: Second.

Jose L. Morales: I have a Second by Mr. Maya. All in favor say Aye.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L. Morales: All opposed? Motion passes to make imp, to dismolish the inside of the estimated amount of \$6,046 to be completed by the Public Works Department.

MOTION CARRIED APPROVE THE REMOVAL OF THE INTERIOR IMPROVEMENTS OF 2550 EXPRESSWAY 83.

ITEM 11. DISCUSSION REGARDING THE CITY OF SAN BENITO ORDINANCE # 2551, "AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS, IN COMPLIANCE WITH SECTION 8.01 OF THE CITY CHARTER, ADOPTING AN ETHICS POLICY, PROVIDING FOR HEARING OF COMPLAINTS, PROVIDING FOR PENALTIES, PROVIDING FOR THE REPEAL OF ORDINANCE # 2497, PROVIDING FOR AN EFFECTIVE DATE, AND PROVIDING FOR REAL MATTERS." (SAN BENITO CONFLICT OF INTEREST ORDINANCE).

Jose L. Morales, President: **Item number 11.** Discussion regarding the City of San Benito Ordinance # 2551, "An Ordinance by the City Commission of the City of San Benito, Texas, in compliance with Section 8.01 of the City Charter, Adopting an ethics policy, Providing for hearing and complaints, Providing for penalties, Providing for the repeal of Ordinance # 2497, Providing for an effective date, and Providing for real matters." (San Benito Conflict of Interest Ordinance). Presented by Mr. De La Rosa, City Manager. Manny.

(CONT.) ITEM 11. DISCUSSION REGARDING THE CITY OF SAN BENITO ORDINANCE # 2551, "AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS, IN COMPLIANCE WITH SECTION 8.01 OF THE CITY CHARTER, ADOPTING AN ETHICS POLICY, PROVIDING FOR HEARING OF COMPLAINTS, PROVIDING FOR PENALTIES, PROVIDING FOR THE REPEAL OF ORDINANCE # 2497, PROVIDING FOR AN EFFECTIVE DATE, AND PROVIDING FOR REAL MATTERS." (SAN BENITO CONFLICT OF INTEREST ORDINANCE).

Manuel De La Rosa, City Manager: I'm going to let Ms. Siller, I can't recall exactly the changes we made. We made a lot.

Rachel Siller, Coordinator: Sorry. Rachel Siller for the record. Before you is Ordinance 2551 which is replacing 2497, that was approved in spring of 2017 if I'm not mistaken. There have been some updates. City Commission approved it. And this does apply to all boards appointed by the City Commission, therefore, it applies to the EDC Board.

Manuel De La Rosa: It was the family relationship.

Rachel Siller: Oh, the familial,.

Manuel De La Rosa: Yes, that's what it was

Rachel Siller: And.

Ricardo Morado, City Attorney: The purchasing of,.

Rachel Siller: The purchasing of auction items.

Ricardo Morado, Attorney: Yes, on section 2.05, User Acquisition of Public Property Resources.

Rachel Siller: Thank you.

Manuel De La Rosa: That's what it was.

Rachel Siller: OK, I've got it.

Ricardo Morado: That is a new section.

Rachel Siller: Section 2.05, User Acquisition of Public Property and Resources, along with the familial relationship in terms of employees.

Jose L. Morales: Alright.

Rachel Siller: It's for your review. It'll also be included in your binder, once I get those cleaned up. If you ever have any questions, comments, or concerns you can always ask me. If you reflect back to the last meeting, Mary was talking about the gifts.

Jose L. Morales: Yes.

Rachel Siller: That has a section in here,.

Manuel De La Rosa: 2.03

Ricardo Morado: 2.03

Rachel Siller: Thank you. 2.03 calls out the, in paragraph B, any City Official, or Board Member, shall report any gift over \$50 to the City Secretary, and shall tender the gift to the City. So, when the previous Ordinance 2497 was enacted, that bumped that to \$50.

Jose L. Morales: OK, alright.

Rachel Siller: Any questions?

Jose L. Morales: Thank you Rachel. Appreciate it.

Julian Rios, Vice-President: I have a question on,.

Jose L. Morales: OK.

Julian Rios: 2.05, User Acquisition of Public Property. What does that, like, we could rent the Community Building if we needed to, we can still do all those good things?

Ricardo Morado: You may, yes, if you go through the process and you pay the, the, that's not the problem.

Jose L. Morales: OK.

Ricardo Morado: What this is intended to, to prevent, is City, Board, City Officials and the Personnel Policy deals with City Employees, bidding or purchasing City property at auctions.

Julian Rios: OK.

(CONT.) ITEM 11. DISCUSSION REGARDING THE CITY OF SAN BENITO ORDINANCE # 2551, "AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS, IN COMPLIANCE WITH SECTION 8.01 OF THE CITY CHARTER, ADOPTING AN ETHICS POLICY, PROVIDING FOR HEARING OF COMPLAINTS, PROVIDING FOR PENALTIES, PROVIDING FOR THE REPEAL OF ORDINANCE # 2497, PROVIDING FOR AN EFFECTIVE DATE, AND PROVIDING FOR REAL MATTERS." (SAN BENITO CONFLICT OF INTEREST ORDINANCE).

Ricardo Morado: So, the City sends, selling something, you're not eligible to make a bid, nor is anyone related within the first degree of affinity. So your wife couldn't go and do it. Or your,

Mayor Ben Gomez: OK.

Ricardo Morado: Your parents,

Jose L. Morales: Our citizenship has been stripped away from us.

Ricardo Morado: Your parents couldn't do it.

Jose L. Morales: Or Board Members.

Ricardo Morado: So, that's the additions. But yah, no, I mean that if you want to rent,

Julian Rios: Yah

Ricardo Morado: The, the Community Center and you submit your application and pay the fee.

Priscilla Guajardo, Secretary/Treasurer: So, so it's just for auction, like for City auctions,

Jose L. Morales: Yah, auction.

Priscilla Guajardo: and stuff.

Ricardo Morado: Yes, yes.

Jose L. Morales: Alrighty.

Ramiro Guerra, Board Member: Don't have to cancel, you don't have to cancel the party. Don't have to cancel the party.

Jose L. Morales: Any other questions from the Board regarding? OK. Let's move on to Item 12.

ITEM 12. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED MAY 31, 2018.

Jose L. Morales, President: Presentation of the financial statements for period ended May 31, 2018. By Mrs. Pena, our Finance Director. Welcome Mrs. Pena.

Belen Pena, Finance Director: Good afternoon Mr. President, Board Members. In your packet you have the financials reports for May 2018 for EDC. If you look on the first page, the Balance Sheet, you showing assets of \$1.7 million. Liabilities of 6,181. Which give us a Fund Balance of 1,724,000. The next page, which is the Revenue and Expense Reports. For the month of May, you have revenues of 113,656. Expenses of 41,705. Which give us Revenue over Expenses of 71,950. Year to date, we have 700, oh, 766,787 in Revenue. 671,465 in Expenses. Which give us Revenue over Expenses of 95,323. Our target percentage for the first eight months of the mon, of the year, is 66.67, as you can see in the right column. We exceed the Revenues by, we have 73.16 percent, and the Expenses is 65.80 percent, so we are on the right track with Revenues against Expenses. Any questions?

Jose L. Morales: Any questions from the Board?

Julian Rios, Vice-President: Is this?

Belen Pena: And I check on that question that you had. That's a, a sign for the San Benito Plaza.

Julian Rios: OK.

Belen Pena: A welcome sign.

Mayor Ben Gomez: What was that?

Belen Pena: Julian was asking about an expense because on the back I shows the detail of the expenses for the month. And he had a question on one of the expenses. So, it's a sign, a welcome sign,

Mayor Ben Gomez: Oh.

Belen Pena: For the San Benito Plaza.

(CONT.) ITEM 12. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED MAY 31, 2018.

Julian Rios: I, I had a question on it Mayor, because it was close to the Cinco De Mayo,.

Mayor Ben Gomez: Oh, OK.

Julian Rios: Expenditures, but I don't remember doing any of that, especially around, so. That's why I had a question.

Jose L. Morales: I, just Board Members so that you are aware. I made a call this morning to, to Mrs. Pena in order to put a workshop together for this Board to understand these financials and to go through them thoroughly so that everybody understood them, and could follow along with her, as, as she provided information and ask questions. And she had mentioned to me that any time after 5:30 would be a good time. So, I was gonna leave it to the Board to decide what day, if any day before the next meeting, to kind of try to have this workshop, I encourage you all to come to the workshop to go through the financials and ask the questions you want to ask up here, and to have a better understanding of the financials, so, so, open to a date.

Mayor Ben Gomez: Can we do that, or no?

Manuel De La Rosa, City Manager: Yes sir.

Mayor Ben Gomez: OK.

Manuel De La Rosa: Yah, and again, you can always meet with staff during, during the daytime. If it's just meeting with her, she's salary, so she has my permission to work eighteen hours days. If it's my hourly,.

Belen Pena: Twenty-four.

Manuel De La Rosa: Employees, it becomes more problematic. You've seen our budget process calendar, the special events. We're spending an awful lot of time here in the evening, so those calendars get filled up fairly quickly. So, it may be seventy-two hours, but it may not fit our calendars. So the more time you give us, the better all we all are to try to accommodate some of those. But again, she's here all day, and she's salary, so she can meet any time with any one of you all.

Jose L. Morales: Well. Workshop, OK.

Priscilla Guajardo, Secretary/Treasurer: I think that they had emailed us for July 19th, before the EDC meeting.

Julian Rios: That was.

Priscilla Guajardo: Is that the next one, or?

Manuel De La Rosa: We can do it during the meeting, we can do it after, you know. Just follow up. We don't really have workshops at City Commission. We have Special Meetings. Which are part workshops, because sometimes we make decisions. So, you can do it at a Regular Meeting, it's, you're already here, at 5:30, the same date.

Priscilla Guajardo: Maybe we can start at 5:00, you know.

Manuel De La Rosa: You can start at 5:00.

Priscilla Guajardo: Before, it's just that,.

Manuel De La Rosa: My concern was just for some of you that work. Some of you have a difficulty getting off at a certain time, right? I can see two faces right now. So, if I, that's not gonna work. So, so, we, if we start at 5:30, we can start with that immediately, then go into the Regular. Or Regular Meeting and go into the Workshop. It's just.

Julian Rios: Or we can have it as an item on, just as an Agenda Item.

Manuel De La Rosa: Yes, yes. Yes.

Jose L. Morales: Up to you guys, up to you guys.

Julian Rios: As a discussion item.

Manuel De La Rosa: Yes.

Julian Rios: On the Agenda.

Manuel De La Rosa: Yes. Just like we discussed the building tonight.

Priscilla Guajardo: We could have it at 5:00. Like at 5:00, 5:30, and then start the meeting at 5:30.

(CONT.) ITEM 12. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED MAY 31, 2018.

Manuel De La Rosa: You can, you can make it part of your Regular Meeting. Just, you're just not taking action. She walks you through.

Julian Rios: I would leave it as part of the Regular Meeting.

Jose L. Morales: You all decide guys. It's open to you guys to decide. Or, ya'll gonna call me after ya'll collaborate, or what do y'all want? Talk to me.

Julian Rios: I would add, I would suggest adding it as an Agenda Item. Having a discussion and whatever questions we have.

Manuel De La Rosa: Yah.

Julian Rios: Have it as part of the meeting. 'Cause we know we are taking the time to be here, for that meeting.

Multiple Board Members: (inaudible).

Jose L. Morales: Alrighty then. Let's, let's do that, that way we, we're all here at one time.

Belen Pena: At the next meeting?

Jose L. Morales: Yah, we'll do it at the next meeting.

Manuel De La Rosa: We'll just make it an Agenda Item part of the Regular Meeting. For discussion, budget process. Or, budget item.

Jose L. Morales: Beautiful Okee dokee.

Belen Pena: Thank, thank you.

Jose L. Morales: Thank you Ms. Pena.

Julian Rios: Thank you for looking into that. Appreciate it.

ITEM 14. EXECUTIVE SESSION.

A) Under Texas Government Code, Section 551.071: Consultation with attorney regarding New Beginnings Day Care.

B) Under Texas Government Code, Section 551.087: Consultation with attorney regarding update on status of negotiations and legal issues relating to Project 2016-08.

Action to be taken on items discussed in Executive Session per Agenda Item 15.

Jose L. Morales, President: OK, Item number 14. That we're gonna be moving into Exec, Executive Session. The time right now is 6:35. The Board will be going into Exec, Executive Session in regards to:

Under the Texas Government Code, Section 551.071: Consolation with attorney regarding the New Beginnings Day Care. Which is Item A.

Item B will be Under Texas Government Code, Section 551.07 87: To consult with our attorney regarding update on status of negotiations and legal issues related to Project 2016-08.

The time is, as I, 6:36, now and we are moving into Executive Session.

OK. The Board is exiting Executive Session. The time is now 7:25. Thank you all.

ITEM 15. ACTION TAKEN, IF ANY, ON ITEMS FROM EXECUTIVE SESSION.

Jose L. Morales, President: No actions need to be taken.

ITEM 16. ADJOURNMENT

Jose L. Morales, President: I'm gonna move for an adjournment.

Julian Rios, Vice-President: So moved.

Jose L. Morales: I have a motion by Mr. Rios. Do I have a second?

Jeremy Maya, Board Member: Second.

Jose L. Morales: From Mr. Maya. All in favor say Aye.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Ramiro Guerra and Jeremy Maya.**

Jose L. Morales: OK, we close the meeting now at 7:26. Thank you very much guys for attending the meeting and participating. Have a good night.



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION

JOSE L. MORALES, PRESIDENT

ATTEST:

RUTH MCGINNIS, INTERIM CITY SECRETARY



This institution is an equal opportunity provider.