



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
JULY 19, 2018

On July 19, 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
Mary Bolado	Board Member
Ramiro Guerra	Board Member
Benjamin Gomez	Ex-Officio Member

ADMINISTRATIVE STAFF

Rachel Siller	EDD Administrative Assistant
Belen Pena	Finance Director

ABSENT

Jeremy Maya	Board Member
Manuel De La Rosa	City Manager
Lupita Pasement	City Secretary
Ricardo Morado	City/EDC Attorney

CITY COMMISSION

Benjamin Gomez	Mayor
Ricardo Guerra	Commissioner
Antonio Gonzales	Commissioner

ITEM 1. WELCOME.

Jose L. Morales, President: OK guys, I would like to call this meeting to order. The San Benito EDC Board welcomes you to July 19, 2018 Regular San Benito EDC Board Meeting. The time is now 5:37, and we have quorum. OK.

Mayor Ben Gomez: I would like also to call the Special Meeting. I, well, for, are they coming in, or? 'Cause we're gonna have a quorum right? If they're here?

Jose L. Morales: Yes.

Mayor Ben Gomez: Do I still,.

Jose L. Morales: I, I would call it.

Mayor Ben Gomez: The Commissioners.

Jose L. Morales: I would call it anyway, in case they walk.

Mayor Ben Gomez: OK.

Jose L. Morales: They are on premises.

(CONT.) ITEM 1. WELCOME.

Mayor Ben Gomez: I, I would like to call the, this Meeting to order, a Special Meeting, the Commissioners. We do have a quorum. And the time is 5:39.

Jose L. Morales: Alright, thank you Mayor for, for that interjection. Just note for the record, Mayor has called quorum since there are two other Commissioners on the premises. OK, we're gonna move on over to Item 2.

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

Jose L. Morales, President: The Pledge of Allegiance to the US flag. I ask you all to please stand. It's gonna be, read by Ramiro Guerra, 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: If you can please remain standing. Board Member Bolado's gonna do our Invocation. Ms. Bolado.

Mary Bolado, Board Member: Heavenly Father, we give you thanks and praise for this day. We ask that you guide us, give us wisdom and knowledge to make the right decisions that what, will affect not only our citizens, but all those that come to our city visiting, or traveling through. We ask this in your precious name. Amen.

All: Amen.

Jose L. Morales: Thank you Ms. Bolado. Thank you Mr. Guerra. We're gonna move on over to Item 4.

ITEM 4. PUBLIC COMMENTS.

Jose L. Morales, President: Public Comments. I understand we don't have anybody for comments. Just for the record, there is nobody for public comments, so, we'll move over to Item 5.

ITEM 5. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018, AND THE SPECIAL MEETING OF JULY 2, 2018.

Jose L. Morales, President: Consideration and possible action to approve the minutes of the Regular Meeting of June 21st, 2018 and the Special Meeting of July 2nd, 2018. Is there any questions?

Mayor Ben Gomez: I have questions. Or comment. First, on July 21st, I do recall me asking a question to,.

Fred Bell, Assistant to the City Manager: June 21st.

Mayor Ben Gomez: Huh?

Fred Bell: You, you said July 21st, it was June 21st.

Mayor Ben Gomez: July, yah the one for July.

Jose L. Morales: July 21st.

Mayor Ben Gomez: July 21, no,.

Fred Bell: June 21st or July 2nd?

Mayor Ben Gomez: Oh, July 2nd. On that meeting. July 2nd on that meeting, I recall asking a question to the CM, and having the legal counsel tell him not to answer that question, and it's not on the minutes. So, for that, I don't know if you all want to go ahead and approve the minutes for that meeting, or just the ones for, for June. But on July 2nd, I do have a question on, on me asking a question, and it wasn't on the minutes. And I don't know if you all edit the minutes, or what's going on with the minutes, but, that,.

Jose L. Morales: Yes sir.

Fred Bell: If, if I could, Fred Bell,.

Jose L. Morales: State, state your name for the record.

(CONT.) ITEM 5. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018, AND THE SPECIAL MEETING OF JULY 2, 2018.

Fred Bell: Fred Bell, Assistant to the City Manager. There, if the, if the Board so chooses, we can, you can table the item, and can go back and we can have staff review and assure, that, you know, that, in it's completion,.

Jose L. Morales: I, I completely agree.

Fred Bell: From beginning to end we can make all that part of the official. If that's what the Board so chooses.

Jose L. Morales: OK. That's July 2nd Mayor?

Mayor Ben Gomez: Huh?

Jose L. Morales: July 2nd meeting? OK.

Mayor Ben Gomez: Yes, yes.

Jose L. Morales: Due noted. OK, let's go, let's, let's start with June 21st, 2018 with approval or, or any other corrections to the minutes anybody else sees. I'll give you all a few minutes. And, just when you're done, just if someone just wants to make a motion on just June 21st, 2018 minutes.

Mayor Ben Gomez: I, I see another one, here on June 21st. Item 10. Mayor inquired if the building was already gutted. I didn't inquire. I simply made a comment to City, City Manager, that he had mentioned to me before, prior to that meeting, I mean, probably months prior to that meeting, that that building had already been gutted. And then we bring an item on consideration to approve \$6,000 thing to gut the building. And that was my question, it said I inquired if it was gutted. I didn't inquire, I was just asking him that he had already told me it had been gutted. So those notes are not the way it happened either, so.

Jose L. Morales: OK. Also Mayor. That, that, we're referring to the June 21st. OK.

Mayor Ben Gomez: (inaudible).

Jose L. Morales: I'm, I'm just for the sake of it guys, I, I have the same thoughts that the Mayor has after reviewing both minutes. I think we, we record this, and I think we, we, we need to go exactly what was said in that meeting, word for word in the minutes, so they can be approved and we can avoid this in the future. So if we can just refer back to the tape recording of, of both meetings. Both, I, I suggest to the Board to table both, just as there are some concerns from the Mayor. And I also will some concerns on actually what was said and actually what's printed, so that it can just be brought up to par in other words. OK. That, that. OK. The City agrees as well. So, I'll make a motion as President to table both minutes, minutes for June 22nd, 2018 for a Regular Meeting, and also table Special Meeting of July 21st, 2018. Do I have a second?

Ramiro Guerra, Board Member: Second.

Jose L. Morales: I have a second from Mr. Guerra. All in favor say Aye. Ms. Bolado?

Mary Bolado, Board Member: I'm going to abstain because I wasn't present.

Jose L. Morales: Just for the record. That's exactly right. Ms. Bolado is abstaining. She wasn't present for the meetings. So, motion carries to table item.

Mary Bolado: But, but I do agree with the Mayor, it needs to be verbatim.

Jose L. Morales: Good, yes, thank you. Just for the record, Ms. Bolado stated that it does need to be verbatim. Thank you.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, Ramiro Guerra, Board Member.** Abstaining: **Mary Bolado, Board Member.**

MOTION CARRIED TO TABLE THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018, AND THE SPECIAL MEETING OF JULY 2, 2018.

Jose L. Morales: Ok. We're gonna move on over to Item 6.

ITEM 6. PRESENTATION OF THE 2018 RESACAFEST POST-EVENT REPORT.

Jose L. Morales, President: Presentation of 2018 ResacaFest Post-Event. Presenters will be Miss Rachel Siller, Economic Development Coordinator. Welcome.

Rachel Siller, Coordinator: Good evening, Rachel Siller for the record. Before you, you have the post-event report for this year's ResacaFest. The event happened on July 7 at Heavin Memorial

(CONT.) ITEM 6. PRESENTATION OF THE 2018 RESACAFEST POST-EVENT REPORT.

Park. There was estimated attendance of 4,500. And for the event participation, there were ten food vendors, six arts and crafts vendors, eight informational booths, and twenty-one car show entries that were pre-, pre-registered.

Julian Rios, Vice-President: They were on-site.

Rachel Siller: Pardon me?

Julian Rios: On-site.

Rachel Siller: I,.

Julian Rios: They,. On-site registrations.

Rachel Siller: OK, how many on-site registrations were there sir?

Julian Rios: Nineteen.

Rachel Siller: Nine,?

Julian Rios: Nineteen.

Rachel Siller: Nineteen on site, for a total of forty?

Julian Rios: No. Nineteen were registered on-site. Only three had pre-registered, so we,.

Rachel Siller: Oh, OK.

Julian Rios: Decided to do on-site.

Rachel Siller: So it was twenty-one total?

Julian Rios: Yes.

Rachel Siller: OK. And then, the attractions, we had kiddie carnival, live music, fireworks, and cold beverages. The EDC did approve funding of \$10,000 to market this event. And you'll see that report, we spent \$9,910. So \$90 remains in the promotional budget.

Jose L. Morales: All right.

Rachel Siller: Did you have any questions?

Jose L. Morales: No.

Mayor Ben Gomez: I had one.

Rachel Siller: Yes?

Mayor Ben Gomez: On the advertising, I know I already brought it up to the CM. On the \$300 photography, we had never discussed nothing about photography. I know it is a way of promotion for next year's event, or other events. But we never discussed that, and this line items that we had. And he agrees on that. So I, I think we need to be more consistent on how we present whatever we are having to pay out from the advertising of the ten grand.

Rachel Siller: OK.

Mayor Ben Gomez: 'Cause me, as a Special Event Board Member, I didn't know about a photographer being hired for \$300 either. I knew about the commercials and what they were running for each tv station, and radio station. But a photographer is new to me, that I just saw that \$300 bill there.

Rachel Siller: OK.

Mayor Ben Gomez: So, I mean, if we can change a little bit on that protocol, how we bring it to the different Boards, or to Commission next time so we can know what's going on.

Fred Bell, Assistant to the City Manager: Mayor, if, if I could expand. And you are absolutely correct, we need to ensure that, as, you know, as these concepts are being formed, it's, it's, ever building upon itself. So it is very possible that as we were putting this all, entire thing together, you know, the great ideas, you know, sometimes they don't get shared amongst the many, but we do need to ensure that, we, we will, and will make sure that, and use this concept.

Mayor Ben Gomez: And, and, and, it's a great idea.

Fred Bell: Yes.

Mayor Ben Gomez: I saw the video.

Fred Bell: Absolutely.

Mayor Ben Gomez: It was good to,.

Fred Bell: Absolutely, so,.

Mayor Ben Gomez: It's just the, the process that we're doing, I mean.

Fred Bell: Yes sir.

Mayor Ben Gomez: We don't want to be deviating up and down.

(CONT.) ITEM 6. PRESENTATION OF THE 2018 RESACAFEST POST-EVENT REPORT.

Fred Bell: Correct, correct. And if I could just clarify on some the registrations for the rest of you all. I know Mayor Gomez and I, and Mr. Rios and I, we're all members of that Board. The, the registrations, when Mrs. Siller was putting this together, she wasn't, she's not a member of that Board, the Special Events Board, so, so the information she had is what she was told at the beginning of this, and, as Mr. Rios, and the Mayor and I, we were kinda transform this so we could get as much involvement as possible, which let to most of these on-site registrations. So I just wanted to kinda clarify the numbers as far as the car, the car show on that.

Jose L. Morales: Well, thank you very much. And, and I'm glad we're gonna clarify this in the future,.

Fred Bell: Yes sir.

Jose L. Morales: So we know where all our expenditures are going,.

Fred Bell: Yes sir.

Jose L. Morales: And their details. I just want to say I think it was great success looking at the videos, looking at the pictures. I, I think it was a great contribution, so thank you guys who are here and are on that Board. Just great job. OK. Any other questions from the Board for Ms. Siller? Alright then, we'll move on to Item 7.

ITEM 7. DISCUSSION AND UPDATE ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Jose L. Morales, President: Update on the USDA Small Business Loan Program, presented by Mrs. Siller, Economic Development Coordinator.

Rachel Siller, Coordinator: Rachel Siller for the record. Before you is the monthly program report for period ended June 30 of 2018. We did not have any program inquiries. We had an account balance of \$269,064.59. Available for funding is \$213,000 \$213,041.35. Our monthly loan payment totals for June, we received \$189.81 in bank interest and to EDC out of principle, interest, and late fees minus ILS servicing fees was \$8,984.73. I do want to make note here that the ILS contract has reached its termination date, so payments are starting to come to the City starting July 1st.

Jose L. Morales: Good.

Rachel Siller: So we will see a, a slight change as there will no longer be monthly ILS fees and we will no longer have to split the late fees with ILS, so we'll be able to retain full amount of late fees presented.

Jose L. Morales: OK.

Rachel Siller: We don't have any delinquent accounts as of June 3rd, 30th, however Ms. Aguilar does have an outstanding late fee, and when I spoke to her late last week, she said she was going to be turning that in. Loan recipients, out of the \$817,000 that's been loaned, we have an outstanding balance of \$575,353.96. And for our loan payments to the USDA, we do have our loan payment on IRP #2 coming up this month, which is 16,000 and change. So we'll see that update next month. And then behind that, you have the ILS reports dated June 8 and June 25 for the payments they received. Did you have any questions on that portion?

Mary Bolado, Board Member: I do. That's what we can expect, the difference?

Rachel Siller: The, the difference? Yes, because ILS is no longer handling it, and they were charging \$12 per loan payment they received. And they retained half of the late fees that they accepted.

Mary Bolado: So when you report back to us, it'll be this form but City collections, City collections?

Jose L. Morales: EDC collections.

Rachel Siller: The City will be. I don't know if their report's going to look exactly the same or not. It all depends on what the, the system generates.

Mary Bolado: Thank you.

Rachel Siller: And then, last month we were talking about qualifications and things like that for loans. So I put together a brief summary on this last page on Loan Requirements. The sources are cited at the bottom, from the USDA website, the USDA approved work plans, and the Regulation 4274-D. I, I don't want to read word for word, so the summary is that the USDA has this program that is available to entities. There's, there's a variety of entities: non-profit,

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municipalities, Indian tribes, that can apply. And then if you are approved, it's a 1% low interest loan to that entity, being the EDC, to relend to other businesses, such as Xtreme Jump. And it's used to improve economic conditions and create jobs in the rural communities. We turn, currently have two IRPs. The first one is 248,000. The second is 400,000. So total is 648,000. We contributed a match of 63,000 and 100,000. So our total match was 163,000. All that money has been loaned out. We're actually starting to loan out revolving money. The interest that we receive from the payments is used to cover our loan payments to the USDA and administrative costs. And then the principle has to stay in there for future loans. So, President, you were asking last month, you know, about how much was in there.

Jose L. Morales: Right.

Rachel Siller: We're always going to have \$648,000,.

Jose L. Morales: Yah, when they're all paid back.

Rachel Siller: Once, yah, once that comes in.

Jose L. Morales: So, currently right now we have 213 and forty one of the thirty five cents as revolving 'cause we have exhausted it, correct?

Rachel Siller: It's all revolving.

Jose L. Morales: Or, is this still money,.

Rachel Siller: It's all revolving.

Jose L. Morales: This is revolving.

Rachel Siller: Yes.

Jose L. Morales: So it's come back to us and we are able to reloan it now.

Rachel Siller: Yup, and you'll notice there's that difference between the 269,000 and 213,000. That covers the rest of this fiscal year for the administrative costs and that loan payment to the USDA.

Jose L. Morales: OK.

Rachel Siller: That's why there's that difference,.

Jose L. Morales: OK.

Rachel Siller: Which is why we report that to you.

Jose L. Morales: OK, good. I just wanted to clarify that, 'cause I, I know I had read an article we had exhausted the mon. I said no, I know we had that 200 and something dollars, but it's revolving.

Rachel Siller: It's revolving.

Jose L. Morales: Now it makes a little bit more sense.

Rachel Siller: Yup.

Jose L. Morales: OK 'Cause that was one of my questions. Actually.

Rachel Siller: And, unfortunately, because of the way that, and I say unfortunately because I know sir you really wanted to go out to get more loans.

Jose L. Morales: And that was going to be my next question.

Rachel Siller: We're not eligible.

Jose L. Morales: 'Cause I didn't want to put the, the cart before the horse. I'm waiting for your to finish.

Rachel Siller: We're not eligible anymore. I went and gave this screen shot directly from the USDA site. I put in this building's address, and we are not located in an eligible area. And that's because we're adjacent to Harlingen. If we were an island in between Harlingen and Brownsville, we may have been eligible.

Jose L. Morales: We have a canal.

Rachel Siller: The canal does not count. The canal does not count. So it, and it explains it more on the USDA website, and I can send that link to you if, if you'd like. Underneath that, that screenshot, we talk about the sub-recipient requirements. They must be located in San Benito, the, the business that they're, they're going to start up or expand. Contribute twenty-five percent toward the project costs. Have the, over half of the ownership of the company must be a US citizen, or resident alien. And they have to provide dollar for dollar collateralization. They also

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have to be able to prove, and this is where most inquiries stop, because they must be able to prove they are unable to finance the proposed project through commercial credit or other federal, state, or local programs at reasonable rates and terms. So if they are able to go to, we'll say, First Community Bank, and get a loan at 9%. That's considered a reasonable rate. If they went, because our terms are between five and ten percent.

Jose L. Morales: OK.

Rachel Siller: If they go to First Community Bank, and get a 25%, well that's unreasonable, and then they would be able to,.

Jose L. Morales: What is the low standard on, on unreasonable? Would it be eleven, since we go up to ten?

Rachel Siller: I think that's up to subjectivity.

Jose L. Morales: OK.

Rachel Siller: Because it, that's how it's stated. But then, in the work plan, we designate it has to be between five and ten percent.

Jose L. Morales: Alright. OK.

Rachel Siller: And then, right underneath that, we talk about what the loan money can be used for the sub-recipients, and that the loans may range from 10,000 to 150,000 with an APR from five to ten, based on their credit-worthiness. And the term is up to ten years. And then, if they do have late fee, late payments, it is a 5% charge.

Jose L. Morales: Well, I would suggest that, Rachel, that we continue to look, maybe not at the EDA, but any other programs out there, so we can help businesses with any small business loans. Is there anything else out there on the market?

Rachel Siller: The,.

Jose L. Morales: Government?

Rachel Siller: The Small Business Administration does offer different programs. And I do post that regularly on our Facebook site. And when I have inquiries come in, I do lead them to those other entities.

Jose L. Morales: But nothing that EDC could get to match and help other small,.

Rachel Siller: We can,.

Jose L. Morales: Businesses take off?

Rachel Siller: We can definitely look into other types of programs.

Jose L. Morales: Yah, yah, would you give a report sometime, next, at our next meeting, what it may be out, 'cause I know everybody's gonna start getting funding October 1st. So we have a little bit of time to start putting right applications in the right places, so forth. So,

Rachel Siller: OK.

Jose L. Morales: We can do that.

Rachel Siller: We can, we can definitely do that.

Ramiro Guerra, Board Member: I have question.

Jose L. Morales: Yes sir. We have a question.

Ramiro Guerra: It just says, I know you said the, the interest rate begins from five and up.

Rachel Siller: Five to ten percent.

Ramiro Guerra: Five to ten. On this one, on Mr. Garza, the Premium Wash, has an interest rate of 4%.

Rachel Siller: I may have a typo on one or the other. I will get one or the other corrected and get back to you guys tomorrow.

Jose L. Morales: OK.

Rachel Siller: I'll send out an email and I'll call Ms. Bolado.

Ramiro Guerra: OK.

Jose L. Morales: Yah, 'cause I thought we could go as low as 1% interest.

Rachel Siller: We cannot go as low as 1% because you have to have a higher interest, APR, so you can have money to fund the program.

Jose L. Morales: Well, you'll answer it tomorrow, so, and we'll understand.

(CONT.) ITEM 7. DISCUSSION AND UPDATE ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Rachel Siller: I know it can't go down to one.

Jose L. Morales: OK. Alright. Any more questions from the Board? Thank you Rachel.

Rachel Siller: Not a problem.

Jose L. Morales: Alright, we're move over to Item #8.

ITEM 8: DISCUSSION AND POSSIBLE ACTION TO RECONSIDER THE APPROVAL TO DEMOLISH THE INTERIOR RENOVATIONS OF 2550 EXPRESSWAY 83.

Jose L. Morales, President: Discussion and possible action in reconsider the approval to demolish the interior renovations to two, 2550 Expressway 83. I, myself, will be the presenter for self, just for the record Jose Morales, Board President. Guys, the reason I put this on there, 'cause I was entertaining a business that I'm not at liberty to say at this particular time. Looking at the building, they were looking at it, and said we could save the money. They were even considering maybe even taking the demolishing on, and we could save the \$6,000, maybe give it to them in a rental subsidiary, or something like that. But, they opted to choose another building in San Benito, so they are working on that building. So we're gonna just, we are gonna kill this item. There, there, there's nothing to do here.

Mayor Ben Gomez: OK. And, in, in the future. I have a question. In the future, can we do this? Because we had already approve the 6,000 for demolition from the interior, can we do that? Like, OK, say he brought it to the table. Can we do it, legally, because it had already approved? And is somebody would come in, can we disregard? 'Cause we had already approved this item last meeting.

Fred Bell, Assistant to the City Manager: At the last EDC meeting?

Mayor Ben Gomez: For 6,000.

Rachel Siller, Coordinator: Yes.

Jose L. Morales: Yes, yes. it was approved. We can, we can bring it back, but it, it'll still have to go before Commission for final approval.

Mayor Ben Gomez: OK.

Jose L. Morales: But the Board would have to vote on it again.

Fred Bell: Correct.

Jose L. Morales: For consideration and discussion.

Fred Bell: Yes.

Jose L. Morales: And if there is action, it still goes to Commission.

Fred Bell: Yes.

Jose L. Morales: Commission always have the final say on any discussion.

Fred Bell: That is correct.

Jose L. Morales: Yes sir.

Fred Bell: OK. Clarification.

Jose L. Morales: OK.

Fred Bell: Because of the amount, \$10,000 and above does require Commission,.

Jose L. Morales: OK.

Fred Bell: Approval before any action can be taken.

Jose L. Morales: OK.

Fred Bell: But what we can do, is we can look at, to clarify to make sure that both entities are, you know, equally satisfied with what the, what the desired outcome will be. So we'll, we'll make note, and we'll definitely follow up and see,.

Jose L. Morales: That is what I would suggest, I, I think anything the Board decides, the Commission should take, should be able to take a gander at it.

Fred Bell: Yah.

Jose L. Morales: You know what I mean? That they should have some (inaudible).

Fred Bell: Yah, we will most definitely present that.

Jose L. Morales: OK. Thank you Mr. Bell.

Mayor Ben Gomez: Thank you.

(CONT.) ITEM 8: DISCUSSION AND POSSIBLE ACTION TO RECONSIDER THE APPROVAL TO DEMOLISH THE INTERIOR RENOVATIONS OF 2550 EXPRESSWAY 83.

Jose L. Morales: OK, moving up to Number 9. There's no, no, no action on Number 8. Moving up to Number 9.

ITEM 9. DISCUSSION AND UPDATE ON SUBMITTAL OF THE PROPERTY TAX EXEMPTION APPLICATIONS FOR EDC OWNED PROPERTIES.

Jose L. Morales, President: Discussion and update on submittal of Property Tax Exemption applications for the EDC owned properties. Mrs. Siller for Economic Development Coordinator will be our presenter.

Rachel Siller, Coordinator: Good evening. Rachel Siller for the record. Before you is a copy of the four property tax exemption applications that I submitted to the Cameron Appraisal District. There are four properties that the EDC owns. We have the 500 Expressway 83, which is known as ResacaWalk; we have the 2550 Expressway 83, which is the building out by the highway; and then the 701 North Bowie property, that's actually two properties, you have the park section and then you have the building section.

Jose L. Morales: The park lot. That's where for four come in. OK.

Rachel Siller: OK. Right before those applications, you have a copy of the tax code. And it's section 11.231. So we put that in there. There are a couple paragraphs, one's arrowed and one asterisk, just leading you to the, the sections that the Appraisal District lead me to when they were helping me to fill out these applications. Preliminary review is indicating that one property may be the only eligible property. The other three properties may not be. It's at their legal review right now. I have not heard back from them. I expect to hear back from them next week. But, she guided me through, you know, filling out the applications, and that way, it could get over to their legal and they could make the, the ultimate decision on if it was eligible or not.

Jose L. Morales: So they're, they're considering just one property, or they're gonna consider all properties?

Rachel Siller: They have all four applications.

Jose L. Morales: OK.

Rachel Siller: When I was discussing it with the contact at Cameron Appraisal, she said preliminary review indicated that maybe only one was eligible. But she could not tell me yes or no.

Jose L. Morales: Oh.

Rachel Siller: She was just giving me the preliminary review.

Jose L. Morales: OK, just,.

Rachel Siller: So they have all been submitted.

Jose L. Morales: Good.

Rachel Siller: And we'll, I, I expect to hear something back next week.

Jose L. Morales: Well thank you Rachel. Hey, it's good ol' boy try. Let's try to save as much as we possibly can on any of them properties.

Mary Bolado, Board Member: I have a question. When they said one might qualify, might. The other three might not. The, is the Board reviewing it under certain criteria? What, what is it that they're telling you? Again, I, I've gone, I don't even mess with the Board. I want to talk to the big enchilada. Somebody that sees it. Don't send me somebody that came from Home Depot six months ago.

Rachel Siller: I, I.

Mary Bolado: You know what I'm saying? I'm looking at you, you're not an attorney. Have they said, Miss Siller, only one might qualify. What's the difference? You know, one is on a state highway, well, two are on, on state highway, maintained highways. The one here on Business 77 the one on the Expressway. The other two are on city property, city maintained thoroughfare. There has to be a criteria. Is it online? Can you approach them with that? Somebody needs to represent the City, Mayor.

Jose L. Morales: Good point.

(CONT.) ITEM 9. DISCUSSION AND UPDATE ON SUBMITTAL OF THE PROPERTY TAX EXEMPTION APPLICATIONS FOR EDC OWNED PROPERTIES.

Mary Bolado: Somebody needs to represent the City that says, wait a minute, how come only one, or what. What is the criteria you are using? And who's reviewing it? Is it the Board, or is it, you know, your senior appraisers, or is it the guy from Home Depot? You know, because, honestly, they'll send somebody to your home to review it, and they're, they don't have the experience as far as the appraisals or anything. But when it comes to exemptions, it's totally different.

Rachel Siller: Right. We'll start from your first question on how they evaluate.

Mary Bolado: OK.

Rachel Siller: In the tax code, it talks about, let me bring that up. On their page 65 next to the asterisk,.

Mary Bolado: OK.

Rachel Siller: The property used exclusively by a qualified non-profit community business organization to perform their primary functions. So that's where she brought me to first. She says what's your primary function. And then, you know, it talks about the economic development in here as well. Her, OK, I'm, I'm gonna answer another question, then go back to that one. Their legal team is the reviewer and the deciding factor. The staff level does not, she indicated their staff level does not evaluate and make that decision, it goes over to their legal department because it's dealing with tax code and, and all that. You know, compared to a homestead exemption, or something like that, or your routine increase of property taxes for appraisals. So, when we go back to the criteria. She says, OK, you know, the, the property over at the highway is the first one we spoke about. And she says is there anybody in it, is there anyone, you know, doing business in it?

Mary Bolado: Occupying it?

Rachel Siller: Yes, occupying it. I said no, it's vacant. She says, is it providing an economic benefit to the community? And being a vacant building on vacant land with no, no tenant, no purpose, that's why she indicated she, her preliminary review is that it would most likely not be eligible, but submit the application, it'll go through legal review.

Jose L. Morales: But I, I think if we go to Section 504 50, 505. When I read that in, in ours, it actually said as long as it was an EDC project. Didn't say anybody had to be in it and I think that's where, I think Ms. Bolado's absolutely right. We need to have legal representation when this is presented, because it could be presented in different forms. But if we go as a EDC project as stated in ours, as State mandate, then, we're non-profit and it is one of our projects, and we're looking to move that property into commercial and so forth. So that's what I would base it on, 'cause it could go both ways, it just depends in, like she said, who's gonna review this? And they're gonna, they, they just, their legal counsel is gonna review it in their favor because of course they want taxes. But then, we need somebody representing us so that to look out for our interest as well. So I completely kinda agree with you in who is representing us out there, because I think it could fall both ways.

Mary Bolado: And, and in all fairness, they say our legal team. It might be two people, it might be ten. We might have to go to the appeal process.

Jose L. Morales: Yes ma'am. I completely agree.

Mary Bolado: And I think, let them present their case. And then we can appeal. Because with the building on the Expressway isn't, but it may not be empty tomorrow.

Rachel Siller: Exactly.

Jose L. Morales: OK.

Rachel Siller: And when,.

Mary Bolado: You know?

Rachel Siller: And when we were discussing, I said, you know, if we have a tenant, she says, you know, if this goes through,.

Mary Bolado: You have to wait til next year to be exempt.

Rachel Siller: Yah.

Mary Bolado: Til 2020.

(CONT.) ITEM 9. DISCUSSION AND UPDATE ON SUBMITTAL OF THE PROPERTY TAX EXEMPTION APPLICATIONS FOR EDC OWNED PROPERTIES.

Rachel Siller: Yah, it's what,.

Mary Bolado: 'Cause 2019 is in process as of May.

Rachel Siller: And, it's effective here January 1st.

Mary Bolado: That's what she said.

Rachel Siller: Well for other exemptions.

Mary Bolado: OK.

Jose L. Morales: OK.

Rachel Siller: So I don't know if this would be true or not.

Mary Bolado: And, and, in all fairness, you're, you're you're going against the lion. Like, like the, our President said here. You know, they're gonna rule in their favor. But be sure you document everything they tell you, if you can get it in writing, and then when it comes time to go through that process of elimination, then we can appeal. But I think at this point, you know, they've got the applications, let them review it. You know, they're gonna find fault, with you forgot to dot the i and cross the t. But, we have to be very careful with the communication that we get from them, and that we give them. Because again, I wish you were an attorney, you, you know, you're not. I don't know that our attorney has even reviewed, has he reviewed the applications that you submitted?

Rachel Siller: We did not submit them for legal review.

Mary Bolado: OK.

Rachel Siller: Before we submitted them.

Mary Bolado: Thank you. I think my question,.

Rachel Siller: OK, to reflect,.

Mary Bolado: We'll go, we'll go through the appeal I think, but go ahead, finish.

Rachel Siller: When President Morales was pointing out for the, the 501 504, the evalu, which is the EDC statues, Local Government Code. The Appraisal District indicated that they review it against the tax code, which is why we provided a copy of the tax code.

Jose L. Morales: Gotcha.

Rachel Siller: So, when we,.

Jose L. Morales: So that's what I'm saying, we're using two different deals, that's why we need our mediator in there.

Rachel Siller: Yah.

Jose L. Morales: Fighting for us, 'cause we need,.

Rachel Siller: So, when we,.

Jose L. Morales: For EDC, if they want to use theirs 'cause, of course, it benefits them, and that's exactly what, that's exactly it, yah.

Julian Rios, Vice-President: I think maybe we need to keep it marketed as EDC properties for future developments.

Rachel Siller: Absolutely.

Jose L. Morales: Yah, as projects.

Julian Rios: You know, instead of,.

Jose L. Morales: As long as keep them projects, we're OK.

Julian Rios: You know, saying dormant, you know, we could put they've been for sale for the last six years.

Rachel Siller: Right. And I know that the reasoning that she said that the, the park portion of the 701 North Bowie property most likely will be eligible, is because we do utilize it as an extension of the park. Which is an economic benefit, quality of life benefit to the community. But we'll definitely, you know, when we receive our responses back, we'll definitely be able to, you know, respond.

Jose L. Morales: Assess them a little bit.

Rachel Siller: There is an appeal process for, for all the submissions through,.

Jose L. Morales: You have to trust the powers that be right there and make a good decision. And if we don't agree, then we appeal.

(CONT.) ITEM 9. DISCUSSION AND UPDATE ON SUBMITTAL OF THE PROPERTY TAX EXEMPTION APPLICATIONS FOR EDC OWNED PROPERTIES.

Mary Bolado: Again, Mr. Rios brought up a real good point. I hadn't even literally digested it, when, you know, property has been dormant. Has one person seen it?

Jose L. Morales: Yes.

Mary Bolado: In six years?

Jose L. Morales: Yes.

Mary Bolado: Then it's not dormant, somebody has actually had interest in it. So maybe a lot has to do with the language. We were just discussing that right now. They're gonna, well, nobody's come to look at the property, well, yes we have. Or maybe we can amend some of this, if we look at it. But we have to tell the truth too.

Jose L. Morales: Yes definitely.

Mary Bolado: We can't say ten people came when we really only had one. Thank you Rachel.

Rachel Siller: Absolutely.

Jose L. Morales: Good point Julian.

Mary Bolado: Thank you.

Jose L. Morales: Good, good point Ms. Bolado. Any more discussion on this item? Thank you Ms. Siller.

Rachel Siller: OK.

Jose L. Morales: We're gonna go ahead and move on to item number 10.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

Jose L. Morales, President: Item number 10 is consideration and possible action to approve the proposal notice of amending the bylaws. This item here will take four votes in order to revert bylaws or to any action to be taken on bylaws. This Board Members keep that in mind.

Rachel Siller, Coordinator: Mr. President.

Jose L. Morales: Mrs. Rachel Siller will be the presenter, yes.

Rachel Siller: Rachel Siller for the record. The agenda item number ten is to approve the notice, the ten-day notice in writing for the Directors. And then at the next meeting we would, if all the, the changes are completed by then, we would be able to present the bylaws for an approval.

Jose L. Morales: I thought we went through the ten day already, from the last meeting when I told them to put the ten day notice in.

Rachel Siller: It is my understanding. The first page in your packet is the notice that was drafted, and we have to identify the changes and have it, this, this document, approved. And we did not have this document at the last,.

Jose L. Morales: I know when I talked to Manny, I, I, I told him what the intentions were, was to revert bylaws, OK. And we put that on the last meeting to do that, then, then we did notify within ten days, so we are past our ten day limit right now, or should be if procedure was followed and we did what we were asked to do. Are you telling me Manny didn't do what he was asked to do?

Fred Bell, Assistant to the City Manager: Mr. President, I do have to apologize, I am trying to recall the discussions of the last meeting as, as well. I'm of the understanding, as I'm not your legal representative, so, but I am of the understanding that this formal notification has to have been submitted. Again, you know, we don't have legal counsel here tonight, so I, I cannot speak for legal counsel. But I am under the understanding that this is the actual formal notification, as opposed to just discussion items. There has to be an actual formal notification in writing as to say this is what the recommended change. And, that's, I believe that's my understanding as to what the process is, as I recall, I don't, this form was not at the last meeting. If I recall there wasn't an actual form. There was discussion,.

Mayor Ben Gomez: No, there wasn't a form, but legal counsel said from that day, ten days on, it'll, it'll, they could vote again on it.

Jose L. Morales: You are absolutely correct.

Mayor Ben Gomez: They voted, and the ten days started that day, that's what he said, legal counsel. But,.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

Priscilla Guajardo, Secretary/Treasurer: I thought it was, wait a minute.

Mayor Ben Gomez: Don't take my word for it. Huh?

Priscilla Guajardo: I thought it was ten days from agenda, agenda to discuss.

Mayor Ben Gomez: It was already on the agenda.

Mary Bolado, Board Member: It should be in the minutes Mayor.

Mayor Ben Gomez: Yah.

Mary Bolado: If that's what he said, it should be in the minutes.

Mayor Ben Gomez: Exactly, but are the minutes right?

Mary Bolado: I don't know, I wasn't even here.

Mayor Ben Gomez: 'Cause we already did with the minutes. So I guess on that, I mean I know I'm not a voting member on the Board, but I would like to give my opinion. Maybe if you all want to set up ten days, set that note, and then make another special meeting.

Jose L. Morales: Yah, yah, let's make a special meeting

Mayor Ben Gomez: At the ten days.

Jose L. Morales: Rachel, for, from this ten day notice posted, since it is official right now.

Mayor Ben Gomez: Yah, have this part.

Jose L. Morales: Let's go ahead and do that, just for the sake of being safe,.

Fred Bell: Yah, I won't, I can't speak for legal counsel.

Jose L. Morales: We don't have legal counsel here, so.

Fred Bell: Correct.

Jose L. Morales: I completely agree with you Mayor, let's, let's just go ahead and set up a special meeting after these ten days have expired. Or can we do it on the tenth day?

Julian Rios: Mr. President.

Jose L. Morales: Yah.

Julian Rios: We have to, I make a motion to approve,.

Jose L. Morales: Yah.

Julian Rios: This notice to be posted so that way the ten days can get started.

Priscilla Guajardo: Ten days.

Jose L. Morales: Yah. Let's, that's, we're, we're gonna do that right now. We're gonna go to a vote, if the, if the Board seems deemed to post this, then let's have that special meeting. How about that?

Julian Rios: That's good.

Jose L. Morales: OK. So, do I have a motion from the Board to approve the amendments to bylaws and the notice for them amendments, the ten day notice?

Ramiro Guerra: I motion.

Jose L. Morales: OK, I have a motion by Mr. Guerra. Do I have a second? I will second that motion. OK, so we're gonna go to vote, to go ahead and. So all in favor, say Aye. OK. So motion passes OK. That we, this notice will be posted for ten days and, and, and I suggest us do that special meeting OK.

Fred Bell: Yes sir.

Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, Board Members Ramiro Guerra and Mary Bolado.** **MOTION CARRIED TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.**

Priscilla Guajardo: So, just 'cause I want clarification. So, now that this has been posted, at our next meeting is when we will discuss it to vote to,.

Jose L. Morales: Yes.

Priscilla Guajardo: Amend, amend them, or?

Jose L. Morales: Yah, yah, we yah, make any changes

Priscilla Guajardo: Or are we discussing that now, or?

Rachel Siller: It's my understanding that if you don't have any other additional changes, that is what would be presented for approval. If there were any other changes you needed to make,

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

whether it be for a different way that you see the EDC going, or if it was to correct statutes, that would have to be decided today on that form.

Jose L. Morales: OK, so let's, let's go, let's go back then.

Rachel Siller: So we can put it on record.

Jose L. Morales: Let's go back so that you can post what we're trying to do. Is that's what you're trying to say? OK, let's do that.

(multiple persons talking - inaudible)

Jose L. Morales: OK, ok, let's just pull a little bit here. OK, now, we're gonna vote to what we want to put on here, is that correct?

Priscilla Guajardo: Right now.

Rachel Siller: Yes.

Jose L. Morales: Right now. So, let's go down, and, and, and,.

Fred Bell: That is correct.

Jose L. Morales: Let's open that for discussion then. Let's open that up for discussion of what, what the intents are for the posting for the ten days so that we can take action on it in ten days. Is that correct?

Rachel Siller: Yes,.

Jose L. Morales: OK.

Rachel Siller: And what I'll do is be able to add those items on to that posting. I'll have it for you tomorrow morning by 10:00, and President and Secretary can come in and sign it, and then it will be posted.

Jose L. Morales: You got it. OK, so now we know the procedure. OK, so. Now let's open it for discussion of, of what the intents are to be posted, or what changes are what we are trying to do.

Priscilla Guajardo: Well, I, I have a question. First of all, like, exactly, are we asking to make changes, or asking to revert back to the old bylaws?

Jose L. Morales: Well, I as President, are asking to revert back to the old bylaws. OK. And now that's open for discussion. I guess, that's, that's where we should be at right now.

Fred Bell: Mr. President, if I,.

Jose L. Morales: Yes sir.

Fred Bell: If I may. If that is going to be the, the direction of the, of this Board, I do want to bring a couple things to, to mention. On the old bylaws, if you, you should have a copy of that in your packets.

Jose L. Morales: Yes sir we do.

Fred Bell: Page two addresses the Board of Directors. Is everybody there?

Jose L. Morales: Hmm hmm.

Fred Bell: OK. Second paragraph says Directors should be appointed as provided by the Act and City Charter. Any vacancies shall be filled in the same manner. Board Members shall serve staggered terms, each three years in duration. That's in direct conflict with State law. It's actually two years. So, the, those, just wanted to bring that to your attention, that if you go back to the 20, the, the previous bylaws, yah, you can't, you have to make sure that that's gonna be one of the changes, 'cause it will be in direct violation of State law.

Julian Rios: So if we could find a common ground between these bylaws and the new bylaws,.

Jose L. Morales: I got some changes I'm looking to make.

Fred Bell: That is, that is correct.

Jose L. Morales: Just to, just to follow-up.

Fred Bell: I just wanted to bring it to your attention.

Jose L. Morales: Well, I'm just wondering, can can, but the can City, can the City govern itself unless State steps in and then supersedes, is that correct?

Fred Bell: Ask that one more time please?

Jose L. Morales: Now, City can choose to make its own Bylaws and govern itself.

Fred Bell: Correct.

Jose L. Morales: Unless State steps in and, State of course always supersedes City.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

Fred Bell: Correct.

Jose L. Morales: So this can actually stand as three years to stand as a new Commissioner comes in, he appoints one, he wants them to be there his term,.

Fred Bell: No.

Jose L. Morales: That's why this change was made.

Fred Bell: You can't, you can't violate the State Law. The State Law clearly states it must be a two year, and again,.

Jose L. Morales: OK.

Fred Bell: That, that's something that,.

Jose L. Morales: Then we can't change it under the Vernon Act is what you're saying.

Fred Bell: Correct.

Jose L. Morales: OK, 1979 the Vernon Act then that was in play, you can't change that.

Fred Bell: That is correct.

Jose L. Morales: 'Cause that is the way it was established. OK Fine.

Fred Bell: Yah, that's, that's not established by City Charter,.

Jose L. Morales: OK, gotcha.

Fred Bell: That is by State,.

Jose L. Morales: By local governing. Gotcha.

Priscilla Guajardo: OK, so just by that alone, we can't convert back.

Fred Bell: Not as just swapping back, that is correct.

Jose L. Morales: Exactly, we'll have to make adjustments. Any other adjustments the City is seeking?

Fred Bell: There was. Let's see, which one, Rachel, was it?

Jose L. Morales: See, this is our legal counsel that helped us put this together.

Fred Bell: I'm not sure when, when that, that requirement was changed. Rachel, do you remember we had any, we had the,.

Rachel Siller: It was implied duties.

Fred Bell: Pardon?

Rachel Siller: Implied duties.

Julian Rios: So, we will just be creating our own Bylaws?

Jose L. Morales: No, we're just gonna change that three year to two year to become legal and match the State.

Priscilla Guajardo: Then we can't say we're reverting back 'cause,.

Julian Rios: We can't really 'cause we have to,.

Jose L. Morales: With the change. With an, an alteration to the past Bylaws is actually what the action.

Fred Bell: Page six.

Jose L. Morales: Revert back to old bylaws with an amendment from three years to two years.

Fred Bell: There was one question we had as far as page six of the old Bylaws, the EDC is authorized to do that which the Board deems desirable to accomplish any of the powers or duties set out or alluded to herein and in accordance with State law. Is that the one that was removed?

Rachel Siller: We added for clarification authorized by City Commission.

Jose L. Morales: Yah.

Fred Bell: That's right. OK.

Jose L. Morales: That's right.

Fred Bell: One of the recommenda, one of the changes that was made into the current ones, is there was the addition. OK, basically the addition that says that duties set out or alluded to herein and authorized by the City Commission. That basically, makes EDC recognize,.

Jose L. Morales: OK, let, let, let's go back one page. Let's go to page four, item eleven. That covers that. The statement here as whether included in the foregoing or not, to have and exercise of all powers necessary to appropriate to effect any or all of the proposed for which the Corporation org, organ, organized which powers shall be subject at all times to the control of the elected

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

governing body of the City of San Benito. So that gives them, the Commission always the final say. In other words, this Board cannot run free.

Fred Bell: Yup.

Jose L. Morales: Just because we come back. We'll change it to two years. It will always go to Commission.

Fred Bell: Yup.

Jose L. Morales: Commission has the final say always.

Fred Bell: I, obviously again, I am not here representing legal,.

Jose L. Morales: Right.

Fred Bell: But I can, I can

Jose L. Morales: I kinda knew that was gonna come up. That, yah, that's why I, I highlighted that here, just,.

Fred Bell: (inaudible)

Jose L. Morales: Just to clarify that. Yah, I'm gonna do your attorney work for you. OK. But anyhow, so, the motion is now, OK, to revert to the old Bylaws, but to satisfy the State, change from three years to two years. OK, that Board Members will only serve only two years, and then have to be reappointed every two years. OK. So,.

Fred Bell: Mr. President, if I could, if, if. With that clarified, once we get that cleaned up, it will affect the remaining paragraphs in the section. We just want to make sure that, any of the, assignments, the timelines, is gonna be.

Jose L. Morales: All coincide with the two years. You are absolutely right.

Fred Bell: So we'll have to,.

Jose L. Morales: All powers need to be the two years, because then Council, the Commission,.

Fred Bell: Yes.

Jose L. Morales: Will have to appoint someone every two years.

Fred Bell: Yes, sir.

Jose L. Morales: That, that's not a problem. So, let's, let's state that just for the record. And, and, and what motion's on the floor.

Fred Bell: Yes sir.

Jose L. Morales: OK. That the motion on the floor is to revert to the old Bylaws, to satisfy the State to change from three years to two years as State mandates, and any alterations that fit within them two years of your Board Member. OK.

Fred Bell: I believe that would suffice.

Jose L. Morales: OK. Good. OK. That, that's the motion on the floor right now.

Priscilla Guajardo: I had another question.

Fred Bell: Yes.

Jose L. Morales: OK.

Priscilla Guajardo: I guess this would be for Mr., our, our President. Just for the,.

Rachel Siller: Can you speak into the mic?

Priscilla Guajardo: Oh, sorry. Just for the clarification, and just so that we're all on the same page, like, why the, why is it so vital to change? I know that you had kind of mentioned here and there, for the key points of the justification of why you want to revert back to the original Bylaws.

Jose L. Morales: Why, I, I, I, I don't think it's I. I think it's we.

Priscilla Guajardo: OK.

Jose L. Morales: First of all. I mean, that would be of course a Board decision. Right now, that's what's on the table to discuss.

Priscilla Guajardo: No, but, I, but I'm asking you, because you are the one that brought it to the table.

Jose L. Morales: OK. Well, where, I would like to re-avert is to free Manny up to do his City duties, and for us to hire our own Director to move the City. We've been a stand still for too long. This EDC has been inactive for so long because it hasn't have the directorship, or the leadership, that it actually needs to move the City forward, to earn tax revenues, and property taxes to move this

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

City forward. We, we cry about streets, we cry about infostructure. But we're not giving the City any support through the EDC, and EDC stands for Economic Development Corporation, is we need to bring commerce here, retail or industrial, to give them tax dollars to the powers to be in order to start fixing streets and so forth through tax revenue. So we need someone to market us as much as possible, twenty four hours a day, go out there to, the expos, we need him to, go out there for developers, go out to look for new businesses, be able to chase down that business that this City direly needs right now. Otherwise, we're always playing with the same tax dollars, which is of course, kept us for twenty years, not moving anywhere. So, we definitely need to move in the direction the EDC was actually developed to, and that's to grow its, its commerce.

Priscilla Guajardo: No, and, and with that said, I did a basic Google search, and we did have an EDC Director, and he was actually fired because he was under investigation.

Jose L. Morales: OK.

Priscilla Guajardo: I, I mean, I looked online. I printed this out. It, it's just a basic article. I even Googled, like Channel Four News.

Jose L. Morales: Very good point.

Priscilla Guajardo: You know what I mean?

Jose L. Morales: That's a very good point.

Priscilla Guajardo: And, and his interview that he had, the only thing that he, I mean, could say was that something about the hotel-conference center. That, that was the only thing he could show. But, I mean we're here a few years later and it's not even here.

Jose L. Morales: Let, let, let me just.

Priscilla Guajardo: How can we ensure that that's not going to happen again under,?

Jose L. Morales: Because you're a Board Member. I'm a Board Member. And you have new Board Members. But let me just go back to that original little article you pulled out there. OK. Anybody can get fired on any kind of allegations. He was never prosecuted for anything. So I'm not gonna talk about what he did or didn't do, 'cause I resigned from the Board back then. But to say that that's the only thing he brought in was the hotel and convention center that was lost by previous Commission, OK. No, he actually brought you Museum under his leadership. That Museum is only sittin' there 'cause I went to go signed the grant for him when he was our Director. We bought the property that's gonna bring in the new development, or we're looking into, that also. You got your property off the Expressway. You have the property you have at the Resaca 'cause of that. So there's a lot of things that ain't said that aren't clear to everybody here 'cause I know we have new Board Members, but I've sat on several boards. So moving that started, yet it got halted 'cause of some allegations that were never proven. That's why the man is still there. 'Cause if he had broken any laws, and I was a Board Member, we would have prosecuted him. Because anybody who breaks the law and misuses any money, should be prosecuted to the extent of the law.

Priscilla Guajardo: So, but how, so my question is how can we ensure that,.

Jose L. Morales: Because we're gonna hire our Director. We're gonna interview him. As a Board.

Priscilla Guajardo: But he was, I read, I read,.

Jose L. Morales: And then he's gonna go to Commission.

Priscilla Guajardo: That he was one of sixteen applicants. I mean,.

Jose L. Morales: He was one of sixteen.

Priscilla Guajardo: Yah, I mean,.

Jose L. Morales: One of sixteen. And he did nothing wrong so far in the eyes of the law. False allegations maybe. True allegations maybe. But it was never proven. So, to me, it's false. It's like accusing you, you did something and they put you under investigation. That's all you are, under investigation, but they never find nothing. But it's not true. So that's where the statement would lie with him. And I can't say either or,.

Priscilla Guajardo: Yah, yah.

Jose L. Morales: Because I don't know what the allegations are. But if you don't find something.

Priscilla Guajardo: Yah, yah, 'cause it didn't state what the allegations are.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

Mayor Ben Gomez: Can I say something? I wasn't here back then. But I think if the Commission has the last say-so, it was on the Commissioners back then too. I mean, 'cause if we're here and we're gonna do the right thing for our citizens, and our community, it's on us 'cause we represent our community and our citizens. And right here, like it states on twelve, section twelve, it says we have the sole say-so at the end. So it's it, it was misrepresentation. I blame Counsel too. I blame Administrators, and I blame Commissioners back then. Because at the end of the day, the Commissioners are the ones that have the last say. So, let's not just bash this man. He's not here to defend himself. I don't know him personally. I don't care to know him. I just know that we cannot be judging people that are not here.

Priscilla Guajardo: No, no.

Mayor Ben Gomez: Or accusing people that are not here.

Jose L. Morales: Thank you Mayor.

Priscilla Guajardo: And, totally, I, I totally, I, I understand that, but I'm saying that if these Bylaws were amended once already because of, for whatever reason, why are we gonna go back to a system that already failed us. You know, why don't we, as a Board, come up with Bylaws that,.

Jose L. Morales: Who did it fail Priscilla? Who did it fail? When I just told you all it did? Is that not enough? It could have done a lot more. It just got stopped. It got sent back to the City and then it stopped. That's where it stopped. That's why you guys only have one developer interested here. It took me one week to find somebody to come business here. One week. OK. If you had a Director actually doing this, you could find a lot more. See. It took me a matter of days to find someone interested in opening a business in our City. I think you're, I, I, I, I don't know, I don't really know what, what you're saying because things did happen. They just got halted.

Mary Bolado: Mr. President.

Jose L. Morales: Yes ma'am.

Mary Bolado: Probably from the Mayor, all the way to this end, I'm the only one that's been here then and now. And the Mayor took the words out of my mouth. We can vote for a new Director, we can vote for new Bylaws, but the buck stops over there. They're the ones that have the last say-so. Those two men over there that are our Commissioners, the Mayor, they're, they also knew who the, they approved a lot of the actions of the Director. So, basically, like, like the Mayor said, he's not here to defend himself. Whether he was right or wrong, what they found, didn't find, I've been here at both ends, and I can honestly say that, when you said why are we going back to something that was wrong, if it's not broken now. You know, the majority speaks. And the majority is saying we need a Director to guide us, and, and that's what I'm hearing.

Priscilla Guajardo: OK.

Jose L. Morales: That's right.

Mary Bolado: Not only am I hearing it here, I've heard it from the Commissioners.

Ramiro Guerra, Board Member: It's for a different change. I mean, you want something different. You know. If it didn't work back, well then why and then we find out, and go back.

Mary Bolado: Let's put it this way, if, if we go back, if all vote to go back to the original Bylaws, and something goes wrong, I'm gonna feel bad.

Ramiro Guerra: We're all gonna feel bad.

Mary Bolado: We're all gonna feel bad.

Jose L. Morales: Well let's just be positive that we're gonna do the right thing.

Mary Bolado: I'll feel bad, but,.

Jose L. Morales: We're gonna get the right Director. Our Council, I mean Commissioners, are gonna help guide us and, and they're gonna make the right choices with us, and that's what it's about.

Mary Bolado: And I'm looking forward to it, because now my term is two years. OK. And I've been here going on eight. So you can understand, you know, and I'm not getting any younger either. But every day I learn something new Miss Priscilla. And it's, sometimes change has to be done to make things more visible.

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

Julian Rios: If I may Miss Bolado. Is the EDC at a slower pace now than it was then? Based on when Bylaws got changed?

Mary Bolado: It depends on what you're talking about. If it's, if it means socializing, going to try and attract. We are not doing that, 'cause I don't see the City Manager going to the Island or to Corpus, you know.

Julian Rios: And, and with all due respect to him, there is only so much time in the day.

Mary Bolado: That's right.

Julian Rios: If you give it to Manny,.

Mary Bolado: And that's what I'm saying.

Julian Rios: He can get it done but there is only so much time.

Mary Bolado: It's a different type of management. It's a different type of direction. It's different. Like the President said, when you have somebody full time, makes a lot of difference than the City Manager and Ms. Siller and the Assistant City Manager as one of their objectives. As comparison to a full job, a full time job.

Jose L. Morales: Yes, I agree.

Mary Bolado: Hired and paid for with benefits.

Jose L. Morales: Thank you for that fellow Board Members, I really appreciate that input. Is there any other questions or concerns before,?

Mayor Ben Gomez: I just want to add one more thing. And this is nothing against our CM. I think we have a great City Manager. But he needs more time to tend to our City things. And EDC, we need somebody to promote more businesses to come in to San Benito, 'cause I have been here all my life and I haven't seen nothing yet. So, it's nothing against him, or, I mean, I think he's doing a great job. It's just that he needs more time to dedicate it to the City and we need somebody that's gonna dedicate more time to the EDC.

Julian Rios: We need someone,.

Jose L. Morales: Thank you Mayor.

Julian Rios: Who has the same work drive that he has.

Jose L. Morales: Right. And just concentrate on this side,.

Mary Bolado: On this side of the wall.

Julian Rios: On this side, exactly.

Mary Bolado: On this side of the wall. And Mr. President.

Jose L. Morales: Exactly, that's all it is.

Mary Bolado: Mr. President, when we get to that point, we need legal counsel.

Jose L. Morales: Yes ma'am.

Mary Bolado: We need legal counsel,.

Jose L. Morales: Yes ma'am, you're absolutely right.

Mary Bolado: That's gonna walk us through, read the fine print, guide us. It's, it's, it's just,.

Jose L. Morales: Without bias. I think you're absolutely right.

Mary Bolado: If you're paying for the steak, and you're gonna eat it, you better get the best steak in town.

Jose L. Morales: Good analogy.

Fred Bell: Can I second that?

Jose L. Morales: Good analogy. I, I completely agree guys. I'm glad that you guys see it's not anything against anybody in particular, it's just we need somebody to do it full time. And we really, I mean, I, I'm glad. Thank you guys, for, for seeing it that direction. So do we have any other questions before we move. There is a motion on the floor.

Julian Rios: Just to,.

Mary Bolado: Repeat the motion.

Julian Rios: Please.

Jose L. Morales: OK, to repeat the motion, is to revert to the old Bylaws and to satisfy the State, we, to change amend the three year term to a two year term to be a coincide with the State, and

(CONT.) ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS.

also to make any changes Board has to match them two years. OK. That is the motion. Do I have a second?

Ramiro Guerra: Second.

Jose L. Morales: I have a second by Mr. Guerra. It will go to vote. All in favor say Aye. OK. Unanimous decision, so motion passes to revert to the old Bylaws, to change back to two years and of course make everything coincide with that. Thank you Board Members.

Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, Board Members Ramiro Guerra and Mary Bolado. **MOTION CARRIED TO APPROVE THE PROPOSED NOTICE FOR AMENDING THE BYLAWS TO REVERT BACK TO THE OLD BYLAWS TO CHANGE TERMS TO TWO YEARS AND CORRESPONDING PARAGRAPHS.**

Jose L. Morales: OK. Moving over to Item 11.

ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Jose L. Morales, President: Presentation of the financial statements of the period ending June 30, 2002, including tutorial in, in interpreting monthly financial statements. Mrs. Pena our Finance Director is here for us. Welcome Mrs. Pena.

Belen Pena, Finance Director: Good afternoon President, Board Members, Mayor. Your packet is the financial statement for the month of June 2018. The last meeting, you mentioned that it will be good for me to give you like a tutorial on how to read the financials. So I prepared a small presentation which is on, on the screen, and also in your package. And we start with the balance sheet which is the first page. On the top you're gonna see the Assets. The Assets, that's what the EDC owns. For example, the cash, we have 596,000 in the bank, First Community Bank. We have investments in Texpool, Greenbank, Southside, East West Bank, and some receivables from the sales tax. We, on this financials, we compare the current period with the past, past year, 2018 2017. Do you have any questions on that section? As you can see, we have 1.7 in Assets, compared to last year at 1.2 in Assets. That's basically because of the investments that we have made lately, and other factors, especially the sales tax that we have,.

Jose L. Morales: Where would them investments be noted?

Belen Pena: You'll see,.

Jose L. Morales: To make that such a big difference? You're, you're, you're talking about \$500,000. Half a million dollars difference.

Belen Pena: It's the investments plus the sales tax revenue.

Jose L. Morales: OK.

Belen Pena: Those 500,000.

Priscilla Guajardo, Secretary/Treasurer: East West Bank there's not even one right here.

Jose L. Morales: 'Cause if, if, if you look at East West Bank, it has \$403,000.

Belen Pena: Yes.

Jose L. Morales: And, and, and,.

Julian Rios, Vice President: That's where they change.

Jose L. Morales: That could change?

Julian Rios: We added a CD, right?

Belen Pena: Excuse me?

Jose L. Morales: We added a CD there, right?

Belen Pena: Yes, those are CDs. The East West Bank is a CD.

Jose L. Morales: OK. So we're doing good then, right?

Belen Pena: Yes.

Jose L. Morales: All right.

Belen Pena: We are always looking for the best rates.

Jose L. Morales: Yes, and I, we really appreciate that.

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Belen Pena: And also, as you know, are aware the sales tax revenue has increased,.

Jose L. Morales: Good, so that,.

Belen Pena: That's why we have those 500,000,.

Jose L. Morales: That's what I'm try, that's what I'm trying to get the Board to understand that that's why we're going upward,.

Belen Pena: Yes.

Jose L. Morales: Making good investments, getting good interest rates, we're growing in tax revenue, and, it's always positive.

Belen Pena: Yes.

Jose L. Morales: \$500,000 ahead.

Belen Pena: Any more questions on the first page?

Jose L. Morales: No ma'am.

Belen Pena: On the assets? OK. The second page, the second part, which is the liabilities and fund balance. You can see on the middle section it shows the payables that we have as of June the 30th, which is 9,420. The balance section is the difference between what we owe, own, minus what we owe. Which is the, the fund balance of 1.789. At the end, if you see, on the presentation, there's some green arrows. Those two balances, they have to match on the assets as well as the liability and fund balance. If there's not a match, there's something wrong. OK. On the second page, you also gonna see, you see something that says year to date revenue and expense in, highlighted in yellow, that's part of the sec, the next page. I highlighted that way you know where those numbers are coming from.

Priscilla Guajardo, Secretary/Treasurer: So, could, could, I'm sorry. So you said that the two numbers have to match, the total fund balance and the total liabilities and fund balance? They need to match?

Belen Pena: No, if you see the first page assets, total assets 1,798,740.

Priscilla Guajardo: OK, got it.

Belen Pena: OK.

Priscilla Guajardo: Right here.

Belen Pena: On the bottom of the second page, the liabilities plus the funds balance.

Priscilla Guajardo: OK.

Belen Pena: So that's the, the same total, OK?

Priscilla Guajardo: Thank you.

Belen Pena: The next pages behind the balance sheet is the reports from the, our accounting system, which is INCODE, and is just for information. We just summarize in one page that way, you know, it looks more professional. The next report is the revenue and expense report. This is where it shows the revenue that you received for the month, which is month to date, and the year to date, the first two columns. You gonna see it right there on your screen. So for the month of June, we have revenues of 98,033. Where is the pointer? Which is this one, right here.

Jose L. Morales: Can, can we just back up a little bit? I, I just want to point this out,.

Belen Pena: OK.

Jose L. Morales: 'Cause you've done such a good job.

Belen Pena: To the second page, or?

Jose L. Morales: No, right, right here on the rev,.

Belen Pena: Revenue, OK.

Jose L. Morales: The revenues and expenses. If you see the interest, we've gone up 149%. Right? Am I correct?

Belen Pena: What interest?

Julian Rios: The third line under,.

Jose L. Morales: The third line. Under non prop, non-property tax fees and charges and interest.

Julian Rios: On revenues and expenses.

Belen Pena: Ah, OK, yes.

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Jose L. Morales: That's, that,.

Belen Pena: The interest.

Jose L. Morales: Yes.

Belen Pena: OK.

Jose L. Morales: So we've gone up 164, 149%, is that correct?

Belen Pena: Yes.

Jose L. Morales: OK.

Belen Pena: We budgeted 9,100. OK? We have received 13,630 up to, up to June.

Jose L. Morales: That's what I'm saying. We're, we're investing money wisely. I just wanted to point that out for you, before (inaudible). Keep on going. I'm so sorry. I just everybody to know you, you are really moving our money in the right places.

Belen Pena: Well, OK. So, as you can see that we received 98,000 in June, we spent 32,805. So we have a fund balance of 65,229. OK. The year to date, we have received 864,000 in revenues, 704 in expenses, so we have a final fund balance of 160,000. You see these red arrow right there, if you go back to the previous page with, under liabilities. That amount gets transferred right here. OK. Any questions on that section so I can continue with the other one?

Jose L. Morales: Any questions?

Belen Pena: Also, if you see right here, this ending fund balance, if you go back to the previous page, is this section right here.

Unknown Board Member: Same one.

Belen Pena: OK. For the nine month period, our target, if you see at the top right corner, is 66.67%. On revenue, we have exceeded to 82.51%. In our expenses, is 69.74%, so we are a little bit high on the expenses, but we are doing very good on the, on the revenues. And basically, the 69% is because of the bond payments, that they happen, you know, at the beginning of this year. So, at the end of the Fiscal Year, it should even out. Any questions on that section? OK, the next page on the PowerPoint is the sales tax. On the left columns, that's the report from last year, which we received 4,000 466,429, and from that amount, we transferred 25% to EDC, which is 116,607, which shows right here on the bottom section. For this year, we have received three, 3,770,000, and we have transferred to EDC 942,000.

Jose L. Morales: That's up to this month, correct?

Belen Pena: Yes. And I want to point out that the last two months, which is June and July, they are estimated amounts because we receive the sales taxes two months behind.

Jose L. Morales: OK.

Belen Pena: OK. So this month in July we received the taxes from May, so that's why we show estimated amounts. When we receive the, the money from the state, then we update this,.

Jose L. Morales: Have we find out why April has been a tough month for us? This, has anybody looked into why it's a tough month for us? 'Cause even last year and this year. Man, actually this year we took a bigger hit. Is it, is it attributed to anything? Commissioners, this might be something to look at, we might need a function or something to drive some revenue in April. 'Cause we are getting hammered in April. With a 30% loss.

Julian Rios: We're working on an Easter festival this year.

Jose L. Morales: Alright, well I'm glad to hear that. 'Cause we need the bunny or somebody. 'Cause it's, we need to, this is why this is important.

Julian Rios: You would think, you would think that those sales taxes would be at, you know, softball, baseball, all that good stuff starting,.

Jose L. Morales: 'Cause they are leaving out of town though. That may be what it is. That's what I'm saying, we need to find out what's attributing to losing taxes there to bring it back. We need more tournaments here in San Benito. Something. It's quite a loss, I mean, we're even losing three points over last year. OK. Sorry, I just want some activity in April.

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Jose L. Morales: OK. The pages where the credits start arising are gonna be on page six.

Belen Pena: OK.

Jose L. Morales: Beginning balance, you start seeing credits. Now tell me you put the money back, 'cause I hope it didn't stay out.

Belen Pena: Well the account is credit because it is a liability account, a reserve account, so that's why it's a credit balance, it's not a debit. That's why it says,.

Jose L. Morales: Did you put the money back?

Belen Pena: No, no, no, no.

Jose L. Morales: So I bought cabinets? EDC bought cabinets with this Board, non approval, nor Commission's approval?

Belen Pena: They, there were some items purchased for the museum.

Jose L. Morales: So, never came to see Board's light? Then I have to question all that. I was hoping you weren't gonna say that. But, but, yes, that, then, I'll bring all them expenditures to question because this Board was never presented them expenditures, we never voted on them, nor did our Commission ever see them. So I think any expenditures, and I've asked you at the last meeting and maybe this needs to be put in the minutes, that we need to get off electronic signatures. I want to sign every check. I want my President if I'm not present to sign it, and if he's not present I want my Secretary to sign every check. We need to know every expenditure done out of EDC, we cannot use this as a personal bank account. OK. EDC has a sole responsibility and that is economical development. OK. We've handed the museum, several years back, over to the City. The City has to assume its responsibility. We cannot keep on funding it. We funded it with a match for the grant, and that's as far as our commitment was to that museum. OK. So, if we need maybe more clarification, I know Manny's not here. Do ya'lls due diligence. See how we can get that money be put back into our account. And everybody's happy.

Belen Pena: OK.

Jose L. Morales: OK.

Belen Pena: Any other questions?

Ramiro Guerra: I got a question. Like, all the ones that just say City of San Benito. I mean, what, what are they? I mean, how do we get the, the listing of what's the actual cost?

Belen Pena: City of San Benito, some of those are the,.

Ramiro Guerra: There's one for 4,100 that says credit, 4,800 goes back credit, 500.

Belen Pena: Might be the salaries. If you show me which page you looking at.

Ramiro Guerra: Well there's, one two three, on page three, 6/26. 6/26.

Jose L. Morales: What page are you on sir?

Ramiro Guerra: Page three. Then there's 6/15 City of San Benito 4,170, there's 4,000, 4,000.

Belen Pena: Those are salaries paid by the City. The way we process the payroll, General Fund pays for all the payroll. And then each,.

Jose L. Morales: OK. Who's, who's on payroll?

Ramiro Guerra: Who's on the payroll for EDC?

Jose L. Morales: 'Cause all we have is a Coordinator.

Belen Pena: Yes, Rachel.

Jose L. Morales: Yah.

Ramiro Guerra: She's the only one that EDC pays, or who else does, does EDC pay? Who else is on the payroll for EDC?

Jose L. Morales: Good question.

Belen Pena: You see, the Museum Coordinator, which is,.

Ramiro Guerra: The Museum Coordinator is on the payroll for EDC?

Jose L. Morales: Not our responsibility. Once again, maybe bring that up. Let's get clarification on that as well. Not our responsibility.

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Ramiro Guerra: Can we get a list of the people that are on the ED, or on the EDC payroll? Can we get a list of the, the, the people, the departments? I mean, if you have to get with Manny, that's fine. But, if, but we just,.

Rachel Siller, Coordinator: No sir, I was just letting her know that it, it's myself, and the new Museum Coordinator.

Ramiro Guerra: (inaudible)

Jose L. Morales: There are the only two salaries going out?

Rachel Siller: Yes.

Jose L. Morales: Plus the benefits. OK. OK. Thank you. Yah, let's, let's look into that Mr. Bell, please? 'Cause yah, I know our obligation's not Coordinator, no responsibility to the museum so we need to probably sever that tie. Please back with me on that.

Fred Bell: Yes sir.

Ramiro Guerra: I have another question on the HVAC. Is that the, is that for the A/C, or is that for the HVAC for the A/C? What's the name, the one for the, for the mosquitoes that they are doing right now, it's?

Fred Bell: That's Vector.

Ramiro Guerra: Vector.

Fred Bell: Yes.

Ramiro Guerra: OK, Vector.

Fred Bell: HVAC is the,.

Ramiro Guerra: The, the, heating, the A/C. I just wanted to make sure it was,.

Jose L. Morales: Heating and cooling of, of.

Ramiro Guerra: So, 701.

Jose L. Morales: Of what building?

Julian Rios: 701.

Ramiro Guerra: 701.

Fred Bell: Oh, that's right. I keep forgetting ya'll have different properties. You've got HVAC units.

Rachel Siller: For the record, Rachel Siller. The 701 North Bowie property has three HVAC units in it. Over the last couple of years we have had to replace two that have become non-functional.

Jose L. Morales: OK.

Rachel Siller: We had another one that became non-functional as well.

Jose L. Morales: Beautiful.

Rachel Siller: We did the bidding process, and, and followed all purchasing procedures.

Jose L. Morales: OK, great. Good job. Not everybody's like you and taking interest in their finances.

Ramiro Guerra: Ok. So then on the, you said the City was for the. I'm sorry, I'm just trying. I'm just trying to (inaudible). You said for the City of San Benito, some are, are payroll?

Belen Pena: Yes.

Ramiro Guerra: So then on page seven, on page seven, I see salaries 5/28. So 4,121. So is it the one that says City of San Benito, or is salaries at salaries?

Belen Pena: There are salaries, also for some of expenses for the EDC. We have a, a credit card, so reimbursement of some expenses.

Ramiro Guerra: So wouldn't it be reimbursements, not salaries?

Belen Pena: Reimbursements of expenses are paid to the City.

Jose L. Morales: OK, reimbursements to the City.

Belen Pena: Yes.

Jose L. Morales: Paid through EDC. Is that what you're telling me?

Rachel Siller: If I, if I may answer.

Jose L. Morales: Yes, please.

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Belen Pena: OK this, this last page of the presentation is the, we comparing last years with this years, that's the summary. Last year we received four, 4,466,429 in taxes. Right now up to today, it's \$3,770,846. And you can see the year to day average for those periods.

Jose L. Morales: We're not too far behind at 1.46 I guess. 1.37 actually total.

Priscilla Guajardo: And that's not accounting for the estimates.

Jose L. Morales: Yah, exactly. Now, now these aren't estimates on May and June right now, are they?

Belen Pena: June and July there is estimates,.

Jose L. Morales: They're, they're still estimates, OK, just wanted to make sure.

Belen Pena: Yah, because they are two months behind.

Jose L. Morales: Yah, that's what I'm saying 'cause it doesn't say estimates anywhere on here.

Julian Rios: And May did increase, correct? We were hoping,.

Belen Pena: Which one?

Julian Rios: In May, in sales tax increase.

Belen Pena: Yes, we increased by roughly 6,000.

Jose L. Morales: Well thank you for, for that. Any other, any questions about anything she's reviewed? And can I, can I be safe to say if they had any questions to call you, ma'am?

Belen Pena: Yes.

Jose L. Morales: OK. Would that be OK?

Belen Pena: Yes.

Jose L. Morales: OK.

Julian Rios: Would it also be sa,.

Fred Bell, Assistant to the City Manager: At 2:00 in the morning.

Jose L. Morales: No, no, during business hours. Don't get crazy guys.

Julian Rios: So,.

Ramiro Guerra, Board Member: I have a question.

Julian Rios: Would, would it be safe to,.

Jose L. Morales: You did have a question?

Ramiro Guerra: (inaudible)

Jose L. Morales: We're gonna go over that. We're going, we're just going over this presentation.

Julian Rios: Would it be safe to say that the events in May helped that increase in sales tax?

Belen Pena: Yes.

Julian Rios: That's what we've been waiting for, for the Cinco de Mayo and the Hog Waddle,.

Jose L. Morales: Right,.

Julian Rios: To show,.

Jose L. Morales: We're waiting, 'cause we really need to that to see how effective we are, or how we could spike some like right now we're looking, we need to do something in April 'cause we're getting hammered in April. So,.

Fred Bell: Mr. President, kind of thinking about your question about April. And I am by no means a financial advisor, but I would suspect part of the impact is probably gonna be, that's April, is what, you know, what most Americans dread. That's where they're having to write their checks to Uncle Sam. January, February, is when people are getting their money back. That's when they're spending it.

Jose L. Morales: Fine.

Fred Bell: April is when they're having to give it back to Uncle Sam. So I suspect that would probably have as much as your business owners,.

Jose L. Morales: I like his idea, let's just bring the bunny, you know, save everything, OK?

Fred Bell: I'll vote for it. So, just want that, that, that, is possible, but,.

Jose L. Morales: Could be.

Fred Bell: We, we suspected. I do want to comment that Mr. Rios and I, as part of the Special Events Board, we had a successful Cinco de Mayo. We had, I think, and equally successful

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

ResacaFest. And we'll see those numbers. Mr. Rios sent me pictures later on that night. He couldn't even go and get a hamburger afterwards, because the, the our businesses in our community,.

Jose L. Morales: Were just thriving.

Fred Bell: Were, were, and we're talking,.

Jose L. Morales: Awesome.

Fred Bell: At 12:00 at night, so I suspect spending,.

Jose L. Morales: And, and that's why the EDC stands behind them projects.

Fred Bell: Absolutely.

Jose L. Morales: 'Cause we know it's gonna drive revenue.

Fred Bell: Absolutely.

Jose L. Morales: We know it's gonna drive it. That's exactly where we need to be.

Fred Bell: Yes sir.

Jose L. Morales: Thank you. Thank you Mr. Bell.

Belen Pena: Any more questions?

Jose L. Morales: Yah, are we gonna go back to the financials now?

Belen Pena: Yes.

Jose L. Morales: OK. Any more questions about her presentation now? Let me, just. OK. Let's get the lights, and we'll move back. 'Cause this, this other print's a lot smaller. We like the big print.

Belen Pena: OK. Well, I already went through the balance sheet and the revenue and expense reports in the packet. So, just the last pages is for information only. Which is also the sales tax, the allocation of the sales tax, the report that I just, just show you in the presentation. And a detail listing of the activity for the month of June, so you can see all the checks that were written, and what expenses were affected.

Jose L. Morales: I was, I was looking at,.

Belen Pena: I now the letters are too small. That's the reports.

Jose L. Morales: I was looking on page three. Item line 12-5-0101-0410, printing forms and adver, advertising. We have \$2,000 in there for printing. If EDC Board Members haven't gotten their EDC book, then maybe that's where we can draw the money from to print them books. 'Cause there's \$2,000 in that account, it, it, it looks like we've used \$6.33 out of that account so far. So it might be an avenue to, to get these books printed so, get some more information in front of these three Board Members. Now, I did have another question. The question I had Mrs. Pena, is why we are buying filing cabinets for the museum, chairs for the museum, office supplies for the museum, and then crediting ourselves back for it. Why is the purchase being done out of EDC funds? I have an expenditure of \$2,028.96 and that is on page five, OK, on 6/7/19. I'm guessing this is your PO number, E04316 or it may be 66570. OK. I don't know where the PO 'cause it doesn't give me a description on top of what, what they are. But, then we have chairs a little, couple lines underneath that in the amount of \$596.80 and if you come back down even further, you have museum office supplies of \$800.80, then you have museum office of \$963.08. But if I go to the page behind, we have another office supplies of 229.95. Now you all do know that project was handed over to the City, it's no longer an EDC project, we can no longer fund anything for it, OK. But then comes the bright side of it, we come down a little bit and start seeing credits of 2,028 and then I see credits of 596, and then I see credits of 798, and then I go the page after that and I start seeing credits of 800, 963, 229. The only one not explained thus far is 529, and I'm expecting to see that in next month's report. But I'm wondering why are we using that process of charging EDC, and then crediting back EDC. That's my concern right now. I'm glad we got the credits back.

Belen Pena: Well, it depends on the account that you are using, that why it shows a credit.

Jose L. Morales: Explain that to me.

Belen Pena: Like which page is the credit that you are looking at?

(CONT.) ITEM 11. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2018, INCLUDING A TUTORIAL ON INTERPRETING MONTHLY FINANCIAL STATEMENTS.

Rachel Siller: The larger charges you are looking at, the 4,000 plus, those are for the City services that we do have an agreement with the City to perform services for us.

Jose L. Morales: EDA,.

Rachel Siller: EDC.

Jose L. Morales: Is that one?

Rachel Siller: EDC to the City, such as accounting, human resources.

Jose L. Morales: That's what I'm saying, E, now you're handling, we're doing in house EDA. We're, we're controlling that now, so probably putting a portion there.

Rachel Siller: That's a separate one as well.

Jose L. Morales: We're paying Mrs. Pena for her services. Is that correct?

Rachel Siller: Correct. That's, that's a different agreement.

Jose L. Morales: Yah, yah, we've been doing that, then that, that, that's perfectly fine. Thank you for that clarification.

Rachel Siller: Other charges you'll see paying to the City are for postage.

Jose L. Morales: OK.

Rachel Siller: Things like that, so.

Jose L. Morales: OK.

Rachel Siller: There are certain charges that the City takes and then says, OK, this is EDC's charge, you know, here's your, your postage meter.

Jose L. Morales: OK.

Ramiro Guerra: OK, and that's, that's fine, and I just wanted to see 'cause it said, it said City of San Benito, but then, (inaudible).

Jose L. Morales: That's a great question. Great questions though. Just kinda so they, they, they get a feel as to what's going on. Good. Thank you. We don't mind paying you Mrs. Pena as long as you keep getting us a good interest rates. OK.

Belen Pena: OK.

Jose L. Morales: Any other questions from the Board?

Priscilla Guajardo: Just, when will we get clarification of the whole, you know, us funding the museum, or how, I mean, who's the one that's going to either yes,.

Jose L. Morales: Can we,.

Priscilla Guajardo: We're going to continue, or no we're not, or?

Jose L. Morales: Let's get a respon. Let's get a response on that by the, by the Special Meeting. Can we do that?

Fred Bell: Yes, that, that should be,.

Jose L. Morales: Sufficient time?

Fred Bell: That should be sufficient time when we have the next meeting.

Jose L. Morales: Let's make sure that's an item. That these questions will be answered in, in that Special Meeting. 'Cause I know you need to do your due diligence to find out what's going on.

Priscilla Guajardo: Thank you.

Jose L. Morales: Good question though. Any other questions? All right then. Then, thank you Mrs. Pena.

Belen Pena: Thank you.

ITEM 12. ADJOURNMENT.

Jose L. Morales, President: OK, I'm going to make a motion to adj, I'm gonna ask for a motion to adjourn. The time is now 7:00. Do I have a motion on the floor?

Priscilla Guajardo, Secretary/Treasurer: I motion.

Jose L. Morales: Priscilla makes a motion to

Priscilla Guajardo: Adjourn.

Jose L. Morales: Adjourn.

Ramiro Guerra, Board Member: Second

(CONT.) ITEM 12. ADJOURNMENT.

Jose L. Morales: I have a second from Mr. Guerra. Thank you guys for showing up and your interest in your EDC. God Bless you all.



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION



JOSE L. MORALES, PRESIDENT

ATTEST:



PRISCILLA GUAJARDO, SECRETARY / TREASURER

This institution is an equal opportunity provider.