MINUTES OF THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING

On June 12th, 2026 the San Benito EDC Board convened for a meeting at the San Benito EDC Building, 701 N. Bowie Street, San. Benito, Texas

Board Meeting Presided by Mrs. Anna Garza Llanes, EDC President

Board Members Present
Mrs. Anna Garza Llanes, Board President
Mr. Daniel Cortez, Vice President
Mr. Tom Goodman, Secretary/ Treasurer
Mrs. Deborah A. Morales, Board Member
Mr. Ricardo Guerra, Board Member
Mr. Hector Gomez, Board Member

Board Member Absent
Mayor Pedro A. Galvan, Board Member

EDC Staff Present
Mr. Mario A. Palomo, Assistant Executive Director

Others Present
Mr. Michael Pruneda, EDC Attorney
Mr. Fred Sandoval

1. **Determination of a quorum**

   Mrs. Anna Garza Llanes made welcoming remarks and determined there was a quorum.

2. **Call to Order**

   Mrs. Anna Garza Llanes called the meeting to order at 12:02 PM.

3. **Pledge of Allegiance and Texas Flag Pledge; Invocation**

   Mr. Mario Palomo lead the Pledge of Allegiance and Texas Flag Pledge. Mr. Tom Goodman led the invocation.

4. **Public Comments (if Any)**

   No Public Comments

Consent Agenda: The following are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the board of directors requests it, in which case the item will be removed from the Consent Agenda and considered independently.

5. Consideration and possible action on meeting minutes of March 26, 2026

Mr. Ricardo Guerra: Motion to approve consent agenda item 5. Mr. Tom Goodman: Seconded. Mrs. Anna Garza Llanes: All in favor: 6 All against: 0. Motion passes unanimously: 6-0

INDIVIDUAL AGENDA ITEMS:

6. Consideration and possible action authorizing the execution of forms for Lone Star National Bank related to depository bank services, including but not limited to signatory cards and issuance of debit cards

Mr. Daniel Cortez: I move to authorize the execution of the forms for Lone Star National Bank as stated.

Mrs. Deborah Morales: What actually are the forms? Before we make a motion. What are these forms for?

Mr. Mario Palomo: It's the application for a credit card.

Mrs. Deborah Morales: Okay, whose names are going to be on it and what not?

Mrs. Anna Garza Llanes: That's the point, whose names are going to be on it since the commission has not selected anybody yet. That's the problem, were kind of a little bit, I am not sure…

Mr. Daniel Cortez: Is this just for the credit card or is it for…?

Mr. Michael Pruneda: Well, it's a blanket authorization.

Mrs. Deborah Morales: Who is on it right now?

Mrs. Ann Garza Llanes: Myself, the V. P. and Mr. Goodman.

Mr. Mario Palomo: and Mr. Sandoval.

Mr. Tom Goodman: Signatory but no cards.

Mrs. Anna Garza Llanes:Yeah we do not have cards but just do the signatory, so that is what we do. I think the card is only being held by our Executive Director at the time.

Mrs. Deborah Morales: I think since there was a resignation put in, at least for right now, we should take off the Director's name and just leave you guys.

Mrs. Anna Garza Llanes: Is he on there, yes. Mrs. Deborah Morales: Mr. Sandoval and keep you all until they get reappointed if your going to get reappointed.

Mr. Tom Goodman: I think there is a question that needs to be stated and that the resignation for the city commissioner is there, its not a resignation for this, is that correct?

Mr. Fred Sandoval: That's correct.

Mrs. Deborah Morales: Can we see that letter?

Mr. Daniel Cortez: Its an email.

Mrs. Deborah Morales: Can we see that? Has anybody seen it?

Mrs. Anna Garza Llanes: Mario did you make copies?

Mrs. Deborah Morales: Mayor have you seen it?

Mr. Ricardo Guerra: Nope.

Mrs. Deborah Morales: Mrs. Llanes have you seen it.

Mrs. Anna Garza Llanes: We did not get a copy. Mr. Goodman have you seen it?

Mr. Tom Goodman: Seen what?

Mrs. Deborah Morales: The resignation letter?

Mr. Tom Goodman: For the city yeah.

Mrs. Deborah Morales: For EDC.

Mrs. Anna Garza Llanes: Just go ahead and pass it out.

Mrs. Deborah Morales: This is the one that went to the city?

Mr. Fred Sandoval: It went to the City Attorney, ma'am.

Mrs. Deborah Morales: Which is the one that went to the city?

Mr. Fred Sandoval: I have not sent one to the city.

Mr. Daniel Cortez: This was forwarded to the commisioners from the city attorney.

Mrs. Deborah Morales: So how did the paper article say that this was for the City and EDC?

Fred Sandoval: I guess Fernando doing his usual made a mistake. The original intent was to resign. However, it was made very clear to me and to the council that the EDC was a different body and I could not resign at the city level from the EDC. This had to be a separate meeting and that is why we are here today.

Mrs. Deborah Morales: But on the letter that you submitted it did state city and EDC? Because we did get this from Ruth.

Mr. Fred Sandoval: I think that this was the original letter after, but it changed though.

Mrs. Deborah Morales: Now Fred you know what you sent. When you sent the information.

Mr. Michael Pruneda: Can I intervene here. I am a little bit confused on what you are saying. This one says EDC Director.

Mrs. Deborah Morales: Right because this one says City Manager and EDC Director. This was a resignation right, for EDC as well?

Mr. Michael Pruneda: yeah its got both.

Mrs. Deborah Morales: Okay, so going back to it. Take off EDC Director, cause I was getting confused with what Commissioner Goodman was saying.

Mr. Tom Goodman: Well, but the point is that this may say that, but does indicate, that would have to be accepted here.

Mrs. Deborah Morales: Right. Isn't that is what is in the agenda?

Mrs. Anna Garza Llanes: The author of this email is Mr. Sandoval.

Mrs. Deborah Morales: Exactly.

Mrs. Anna Garza Llanes: Okay so its not like I have said before, it is not ambiquous. It clearly states that.

Mr. Fred Sandoval: If I could Madam President, when I sent this. If you look at the date, this was Thursday, June 4th. Subsiquent to that, the city attorney told me and told the governing body that I had to separate from the EDC if that was the case, with the EDC. That I could not resign to the city commission. That what was told after I sent this. Now yeah, if you want to this, I guess. Subsequent to that I had been told by the city attorney, and again he told me a lot of things. I have some stuff that I want to share with you all but I prefer to that in executive session.

Mrs. Anna Garza Llanes: Well I think we need to have this in open session Sir. I will give you some time so you can address us in open session.

Mr. Fred Sandoval: Okay that's fine.

Mrs. Anna Garza Llanes: The executive session is not gonna, doesn't...

Mrs. Deborah Morales: So you think at this time we should...

Mrs. Anna Garza Llanes: At at, what we are seeing is what was submitted to us. That was sent to us, so I mean I do not see any…

Mr. Tom Goodman: Well the question on the agenda item right here is authorization to execute forms for Lone Star National Bank related to depository bank services, including signature cards. That's the issue right now. The question was asked? Who is on those signature cards.

Mrs. Anna Garza Llanes: And we are. So…Us three are and himself. I think and I believe that he has already turned in his card, his debit card.

Mrs. Deborah Morales: But still we need to make it a paper trail.

Mrs. Anna Garza Llanes: Yeah so somebody wants to make a motion, they can make a motion.

Mrs. Deborah Morales: I make a motion to proceed with President Llanes, Vice-President Cortez, and Secretary/Treasurer Tom Goodman as signees until the SBEDC Board votes new officers and remove Mr. Fred Sandoval from the signatory and debit cards until the board appoints new appointees, I mean the commission.

Mr. Daniel Cortez: When someone else is appointed. Are we going to have to go through this again?

Mrs. Deborah Morales: Well your going to have to put new names on it.

Mr. Daniel Cortez: Or can you just have a blanket authorization.

Mr. Michael Pruneda: Well the problem is you do not know who the officers are going to be.

Mrs. Deborah Morales: Exactly

Mr. Micheal Pruneda: There is going to have to be an election

Mrs. Anna Garza Llanes: So for right now, the motion has been made by Mrs. Morales to keep everybody on there who is there, which is myself, Mr. Cortez, Mr. Goodman and remove Mr. Sandoval from the signatory cards and or issuance of debit cards.

Mrs Deborah Morales: Yes maam.

Mrs. Anna Garza-Llanes: We have a motion? Do we have a second?

Mr. Ricardo Guerra: I will seconded it.

Mrs Anna Garza Llanes: Mr. Guerra will second it. All in favor: 5 (Llanes, Cortez, Guerra, Morales, Gomez) Anybody opposed: 1 (Goodman) Mr. Goodman is opposing. Motion carries: 5-1

7. Consideration and possible action authorizing the execution of forms from the Office of the Attorney General of Texas for registration and fees related to Public Information Requests

   Mrs. Anna Garza Llanes: Motion to authorize the execution of forms from the Office of the Attorney Gerneral of Texas for registration and fees related to Public Information Requests. Mr. Daniel Cortez: Seconded. All in favor: 6 All against: 0 Motion passes unanimously

8. Consideration and possible action on the employement of the Executive Director that may include either the voluntary or involuntary separation of the Executive Director; confirmation of any applicable contractual terms and conditions;

assignment and/or reassignment of interim Executive Director duties; and authorizing the publication of the vacany of the Executive Director position

Mrs. Anna Garza Llanes: I am asking if the we would like to discuss this in executive session. Mr. Michael Pruneda: I would defer to Board President. Would you want to provide Mr. Sandoval an opportunity to address the Board. Mrs. Anna Garza Llanes: the Board will provide Mr. Fred Sandoval the opportunity to address the Board before entering into executive session.

Mr. Fred Sandoval: I want to clarify how my resignation evolved. In the June 1st city commission agenda, there was an item to discuss staff in general, attorneys, etc. The item was worded broadly. The city attorney did not attend the meeting, he sent an associate. It was a lengthy executive session. I was not allowed in the executive session because other staffers were being discussed. After the meeting, I received a call from the city attorney to inform me that a special city commission meeting would be called to address my removal as city manager. The city attorney advised me that I should consider resigning.

Mrs. Anna Garza Llanes: The city attorney you are talking about is whom?

Fred Sandoval: Eric Flores.

Mrs. Anna Garza Llanes: There was two attorneys at that time and I just wanted to clarify that.

Mr. Fred Sandoval: Thank you. I shared some texts of conversations between the new mayor and city attorney about the wording of the resignation letter. He did send me a text asking me to send him my formal resignation letter. I was following the advice of the city attorney and I was not privy to any discussion. I stand by my statement in the paper, when I got here I had a 5–0 vote, to stay at the city, I was informed that at the very best I had a weak 3-2, possibly a 2-3. I do no know if that was a fact or not, he was the attorney and he was acting in my best interest, at least I assumed he does, or is the city's best interest I guess. So I decided to submit the email you all have here. Subsequently to that, the commission had a meeting, again another executive session item and I do not know what exactly was discussed cause I did not stay for the meeting and they accepted my resignation and I moved on.

Mr. Fred Sandoval: The only other thing I was told is that it had to happen here too. That was what the attorney told the governing body, you can corroborate commissioner is you want. That's why were here today. The only thing I want you know is that there are several projects that are pending, some very sensitive projects that we have been working on for a while. 732 project is very key, it's a really really big project, its going to require a lot of coordination, a lot of internal expertise. I just would hate to have that project to not happen. The lift station will have to put in the ground and go verticle around the same time the building is going verticle. Timing and coordination is going to be very sensitive. There is a few other projects that are being worked on, buts that's the one that stands out to me. There some other ones at the city level, that's going to be there issue at that point. I wanted to make sure that you knew that, I don't know at this point what the governing body wants to do here. My thought process was, to have, have had a couple of conversations with a couple of the elected officials to stay on and finish those projects. To make sure they get put in the ground. However, if this board or the next board decide that it is not the case, they again I served at the will of the board. No matter what, I want to thank you all for supporting me cause each one of you at one time supported me. I know things changed a lot, the election changed, you have a new governing body, a we've got new mayor, more than likely there is going to be a new board except for Mr. Gomez, he stays. Some of you all may stay or not, I do not know. However, I wanted to make sure that you heard from me. My intent was to never to abandoned ship, my intent was to never leave the city, I was acting on the best advice that I got from the city attorney to make it easier for the city, myself, my family, and for my future and career. And that was it, simple as that. A lot of people have called me and tell and ask me things. I cannot get involved the chisme and all the other stuff that's crossed my path. Its kind of amazing the kind of things that have come to me about what has happened or what I was allegedly doing. I have to deal with facts, that's it. I will leave it at that.

Mrs. Anna Garza Llanes: Thank you Mr. Sandoval. I just want to issue a little background on this whole thing. Mr. Sandoval is here part time at the EDC when he came on. So we did have a contract with him, the contract was never, we did not have an actual contract, we had an agreement is what we had here. Mr. Sandoval resigned according to what we received were perceiving that, we did not get a notice but possibly two days before we received this so there was never a 30 day notice that we received and we did not issue anything either. I just want the board to understand that we do not have a contract with him, he had according to his termination that he had to give us a 30 day notice, written notice, we did not receive that notice , what we did receive was the actual resignation. We thank you Mr. Sandoval from the bottom of our hearts. We thank you and we wish you well in any endeavors that you move on too. I do not know how this body is going to feel like, I have no idea but we actually have the actual resignation so I do not think it is ambiguous in any way. So I am going to go ahead and were going ahead to executive session at this time so we can consider what we have here in our agenda. It is now 12:23, we are now in executive session, thank you.

Mrs. Anna Garza Llanes: It is now 12:57 and we are back from executive session. Mr. Pruneda do we go into the actual motion? Mr. Michael Pruneda: whatever the board wishes to do.

Mrs. Anna Garza Llanes: we can move with no interim duties are being assigned at this time. That we have met all contractual exits.

Mrs. Deborah Morales: Is this a motion?

Mrs. Anna Garza Llanes: This is a motion, and that we received the actual voluntary resignation letter on June 5th, 2026. This action is not a termination, Mr. Sandoval did have a contract with the EDC and should have given the EDC Board a 30 day notice and that was not given. We accept this resignation with no interim duties that are being appointed. Mr. Palomo will stay in the position that he is at currently, and to post the vacancy for executive director for publication. I have a motion. Mrs Deborah Morales: Seconds. All in favor: 5 (Llanes, Morales,Cortez, Guerra, Gomez) All against: 1 (Goodman) Motion passes: 5-1

Closed Session: In Accordance with Chapter 551 of the Texas GovernmentCode, the Board of Directors hereby gives notice that it may meet in a closed, non-public sessionto discuss matters in accordance with the following:

Pursuant to §§551.071 and 551.129, the Board of Directors may convene in a closed, non-public meeting with its attorney and discuss any matters related to legal advice on pending or contemplated litigation, settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplanary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:

a. Discussion with legal counsel on the employment of the Executive Director that may include either the voluntary or involuntary separation of the Executive Director; confirmation of any applicable contractual terms and conditions; assignment and/or reassignment of interim Executive Director duties; and authorizing the publication of the vacany of the Executive Director position;

Pursuant to §§551.072, the Board of Directors may convence in a closed, non-public meeting to discuss any matter related to real property and deliberate the purchase, exchange, lease, or value of real property as such would be detrimental to negotiations between the Board of Directors and a third party in an open meeting;

None

Pursuant §§551.074, the Board of Directors may convence in a closed, non-public meeting to discuss any matter related to appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee:

a. Discussion with legal counsel on the employment of the Executive Director that may include either the voluntary or involuntary separation of the Executive Director; confirmation of any applicable contractual terms and conditions; assignment and/or reassignment of interim Executive Director duties; and authorizing the publication of the vacany of the Executive Director position;

Pursuant to §§551.087(1-2), the Board of Directors may convene in a closed, non-public meeting to discuss any matters regarding economic development issues;

a. None

Entered Closed Session: 12:23 pm
Returned from Closed Session: 12:57 pm

RECONVENE:

Mrs. Anna Garza Llanes:Were going back to Individual Item 8.

9. **Meeting Adjournment**

The meeting was adjourned at 1:00 PM.

Approved this 01st day of July 2026.

Anna Garza Llanes, President	**Tom Goodman, Secretary/Treasurer**