



**MINUTES
OF THE CITY OF SAN BENITO
REGULAR CITY COMMISSION MEETING**

On June 18, 2019 the City Commission met for a Regular Meeting at the San Benito Municipal Building, Cesar Gonzalez Meeting Hall, 401 North Sam Houston Boulevard, San Benito, Texas at 5:30 p.m. A quorum was present including the following:

HONORABLE BENJAMIN GOMEZ, MAYOR, WAS THE PRESIDING OFFICER

CITY COMMISSION MEMBERS

**Benjamin Gomez - Mayor
Carol Lynn Sanchez - Mayor Pro Tem
Antonio Gonzales - Commissioner, Place 1
Rene Villafranco - Commissioner, Place 2
Ricardo Guerra - Commissioner, Place 3
Ricardo Adobbati - For City Attorney**

ADMINISTRATIVE STAFF

**Manuel De La Rosa - City Manager
Fred Bell - Assistant City Manager
Ruth McGinnis - City Secretary**

ABSENT

**Commissioner Antonio Gonzales
Mark Sossi, City Attorney**

ITEM 1. WELCOME.

Mayor Benjamin Gomez called the meeting to order. "The City Commission and I welcome you to this Regular City Commission Meeting. The time is 5:30 p.m. and we have a quorum."

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

Commissioner Ricardo Guerra led the City Commission and audience in reciting the Pledge of Allegiance to the United States Flag and to the Texas Flag.

ITEM 3. INVOCATION.

Pastor Kevin Ortiz, Faith Pleases God Church, led the City Commission and audience in prayer. **Mayor Benjamin Gomez** thanked Pastor Ortiz for bringing backpacks for San Benito students. Last year was his first year and is bringing more this year, approximately 2,000. He also donated to the Police Department, we greatly appreciate that. His church is not here, but he is from San Benito, he is a Greyhound.

ITEM 4. ANNOUNCEMENTS: ITEMS OF COMMUNITY INTEREST.

Mayor Benjamin Gomez, announced **Mayor Pro Tem Carol Lynn Sanchez** reading the announcements. **Mayor Pro Tem Carol Lynn Sanchez**, announced Registration for the 2019 Season NFL Flag Football League For Boys & Girls, Age 3 - 11, Online registration also

available at the San Benito Parks & Recreation Facebook Page. Early Registration \$50 from June 3rd thru June 30th; Regular Registration \$60 from July 1st thru July 31st; Late Registration \$70 from August 1st thru August 18th. For more information contact 361-3830. Thursday, June 20th, Handsome Pepper: A Gallery Talk with Special Guest Artist Noel Palmenez, at 6pm at the San Benito Cultural Heritage Museum, 250 East Heywood. The program provides the community an opportunity to engage and learn more about the ideas and processes behind the artwork of the late Carlos G. Gomez. This is a free event opened to the public. For more information contact Luis Contreras at (956) 281-0810. Saturday, June 22nd, 18th Annual Texas Conjunto Music Hall of Fame Museum Induction Awards, Doors open at 6pm, Ceremony from 7pm to 8:30pm and Entertainment from 8:30pm to Midnight, at the Knights of Columbus Hall, 826 East Stenger. Tickets on sale at the San Benito Chamber of Commerce, telephone 361-9111. Saturday, July 6th, ResacaFest from 4pm-11pm at W.H. Heavin Memorial Park located at 705 North Bowie Street. Enjoy fun for the family, kiddie carnival, food, arts and crafts, cold beverages, and the San Benito Spectacular Fireworks Show. For more information contact 361-3830 or you may go to www.sanbenitoevents.com. Wednesday, July 24th and Thursday, July 25th, Fishing Camp 2019 for ages 5 - 16 (with an adult) from 10am to 3pm at the J.F. Kennedy Park, 400 Freddy Fender Lane. Free 2 day fishing camp, participants will learn the basics like fishing knots, proper fish handling techniques, various types of fishing equipment, tackle box basics, local tips and tricks. For more information contact (956) 361-3830.

ITEM 5. PUBLIC COMMENTS. (Speakers/Remarks limited to three minutes. Public Comments limited to forty-five minutes).

Mayor Benjamin Gomez asked **Ruth McGinnis, City Secretary**, if anyone was present for Public Comments. **Ruth McGinnis, City Secretary**, announced **Ms. Liz Chavez**, who addressed the City Commission identifying herself as Liz Chavez, Board Chair with the Boys and Girls Club of San Benito. Good evening, Commissioners, Mayor and City Manager, I wish I was here today on better news, after last week's Special Meeting, I have received several calls from the community about the plans and impact of receiving no funds for the 2019-2020 CDBG Fiscal Year. I whole heartily thought that we were past this phase of disregarding the Boys and Girls Club of San Benito. We work very hard to establish a cohesive partnership with the City, and all was going really well. Right now is not the time for us to take twenty steps back. Unity and taking care of San Benito, as many of you have said on the bench, include your future generation. I want to remind the representatives of San Benito a few things about the Boys and Girls Club of what we do and who we are. The Boys and Girls Club is not only a recreational site for youth contrary to what many of you believe. In addition to running leagues, summer programs, and after school programs, we run quality programming that are not afforded to youth through other means. Some of our key programs and partnerships are; smart moves in partnership with Behavioral Health Solutions of South Texas which is a Youth Preventative Program that teaches youths to resist dangers of substance abuse and make healthy choices. Girls Strong in partnership with the Family Crisis Center is a Youth Preventative Program and Awareness for girls on at risk environments because of our proximity to the border. Many other beneficial programs that we run and have proven positive outcomes. Times have change and many organizations will tell you that the benefits of having a club in your area and the support of the city behind such a needed organization in your area is vital to the youth. This is the only City that does not have consistency in supporting their non-profits. Every City either has general funds, sponsorship money or CDBG money allocated to their non-profits. All over your CDBG Plan, the City qualifies about working closely with non-profits to provide services. It also talks about funding these non-profits as needed and as funds become available through HUD. We provide a unique service to our youth and we even have youth wait listed right now, about

95 to be exact, that we cannot serve. This has to say something about our growth and much needed services. We are also 100% transparent with our entity and financials unlike others that garner City support. I have never seen a City eliminate CDBG Funds completely for public service projects that are working. Key word here is working. The Boys and Girls Club is here working for your youth of your community. Don't be the first in the Valley to oust where essential need is needed the most. Most cities including yours has youth services as high priority which is in your plan which I should remind you. Follow the input of your constituents which had input in that plan. We are located in your City. We spend a lot of money in your City. We facilitate economic development in your City. And, [Ruth McGinnis, City Secretary](#), announced three minutes are over. [Ms. Liz Chavez](#), ignored the three minute limit and continued speaking, stating, the majority of youths are from your City. We need your help and this year is not the year to push us back. Thank you. [Ruth McGinnis, City Secretary](#), announced [Ms. Dora Martinez](#), who addressed the City Commission identifying herself as Dora Martinez, being the Executive Director of CASA, Court Appointed Special Advocates. We too are a non-profit agency appointed to represent child abuse victims during the time that they are in foster care. We do this by recruiting, training and supporting community volunteers to be their voice and represent the child's best interest. It's my understanding that the Draft Action Plan for CDBG Fiscal Year 2019-2020 does not include CASA nor any other non-profit agency providing services to the residents of San Benito. This current Fiscal Year 2018-2019 CASA was granted \$5,000.00 from the City of San Benito. We thank you for these funds that were used to provide services for forty children to date. That may seem like a small number but when you take into account that it takes the CPS System a full year to finalize the permanent placement of a child, who has endured often unimaginable abuse, a year is needed to make sure that they are safe and in a permanent home. When you think of the \$5,000.00 and those forty children, what you don't is that we didn't serve sixteen of those children from San Benito. Eliminating funds completely from the City, potentially will result in an increase of these San Benito children without CASA representation. These too, are children of San Benito and the impact CASA has, extends beyond the daily use of this City's resources. Allow me to share with you the impact that a CASA advocate made for a young man from San Benito. This young man was fifteen years old when he entered foster care because his dad reported that he just couldn't provide a home for him and he didn't have the resources to care for him. His mother was not involved in his life. CASA appointed a retired Army Sergeant to represent him. Actually, a volunteer hero from San Benito. For once, this young man had someone he could count on to make sure that he was ok, to encourage him to finish high school and to help him understand that this was not his fault and that he could still accomplish his goals in life. Understandably, he struggled and he ran away several times from care, but each time he did, guess who he called. His CASA advocate. I ask you that you please reconsider funding to this non-profits including CASA and my hope is that you understand that these citizens come back to your county. They come back to your City and they contribute here. These are our most vulnerable citizens of San Benito, these abused and neglected children. Thank you. [Ruth McGinnis, City Secretary](#), announced [Ms. Wilma Esparza](#), who addressed the City Commission identifying herself as Wilma Esparza, stating she does not live in San Benito, she lives in Harlingen, but her family is a long time family member who lives in the San Benito community of El Ranchito. Her father was in the school board here many years ago, probably before some of you were born. He was also a board of directors at old San Benito Bank and Trust. So we have a long history here in San Benito. I am now serving as a board of directors with CASA and I hope that you heard what Dora said to you. Sixteen children, those are your children. Because of the Privacy Act, we cannot tell you who those children are. It could be a son, a granddaughter, a nephew, a niece, a brother, a sister, an aunt. We cannot help them if you do not help us. Bottom line, we are

non-profit. We depend on funding that is going to come from grants. Your help, with any penny that you can give a non-profit is going to help. Just to give you an example, last weekend in Brownsville, the CASA Board of Directors and all of our volunteers were out there with a big gift project soliciting the streets, panhandling. Twenty-one organizations will be able to get some money from what we did. People call it panhandling, bottom line for us, is fundraising. That's how non-profits work. But that money that was given to us, while we were out on the streets, is distributed among twenty non-profits that serve Brownsville. CASA does not only serve the Brownsville children; we serve your children. Once again, I am asking for your help. Sixteen children are a lot of children that we turned down. And once again, we cannot tell you who they are but they are your children. [Ruth McGinnis, City Secretary](#), announced [Judge Chuy Garcia](#), who addressed the City Commission identifying himself as Judge Garcia, and stating, I am one of the JPs here and I am here to speak on behalf of Boys and Girls Club. I remember being a kid and going to the Boys and Girls club right here when it was on Stenger Street. Then they moved it over there on Stookey during that process when I as twelve, we moved, me and my parents, we moved right across there from Boys and Girls Club. To this date, my parents still live there. Let me tell you, the Boys and Girls Club today is not what it was back then. It has grown so much, the Boys and Girls Club serves hundreds, literally hundreds of kids from the community. It is in the City's best interest to help maintain and fund that. You know, Liz is on the board, the dedication and time and commitment that they put into this Boys and Girls Club, those are understatements. They are so dedicated and they need your help to sustain what they are doing here. Commissioner Sanchez, as a former board member, she has a great insight and knows the struggles that they have as a board to gather funds to help maintain this Boys and Girls Club. I am here to speak on their behalf for you take that into consideration. Thank you. [Ruth McGinnis, City Secretary](#), announced [Constable Adrian Gonzalez](#), who addressed the City Commission stating, first of all, thank you for giving me this time to come and speak. I am the Constable in this area and I am also a proud member of the Boys and Girls Club and I am a board member. I am very proud to be here today to speak on their behalf. It's very hard for us to get all the money together to help out all these kids. When I came on the board, we only had about forty enrollments since then we have grown to over 140 a day. We partnered up with the school district. They helped us out with meals for the kids, breakfast and lunch. This year we actually started on taking the kids on field trips. We are working on different things for these kids to show them leadership within the community. It is very, very hard to come up with money. Whatever little money that we get from everybody, we really do appreciate it. We appreciate you guys. I know you guys are good people and you are trying to do what is best for our city and I know a lot of you all and I consider you all friends. A lot of you are my friends but it is one of those things where these kids do not have a voice. I am here to speak on their behalf. People ask me why I do what I do, when it comes to these kids, going to these community events helping out and it's really simple. A lot of these kids come from broken homes, they do not have a mom or dad at home. They come from very low income homes, they want a safe place to go to. We provide it to them, they go over there and they are safe. There are a lot of things that we do for these kids. But, what we are going to get back in the future, is a fact that a lot of these kids, they are going to know what it is to have kindness, to see a leader. They might go into a life of crime or do other things that they are not supposed to be doing in the streets. Ultimately it is a win-win for me as a law enforcement official because, these kids, if there is ever something that happens to them, they will be able to come to us as law enforcement officials and be able to speak. They are not going to be afraid of us. Those are things that mean a lot to me and should mean a lot to all of us in this community. I hope you guys reconsider what is going on right now, I really do hope so but anyway thank you for your time.

Ruth McGinnis, City Secretary, announced end for Public Comments.

ITEM 6. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR CITY COMMISSION MEETING OF APRIL 2, 2019.

Mayor Benjamin Gomez requested a motion to approve the Minutes of the April 2, 2019, Regular City Commission Meeting. Mayor Pro Tem Carol Lynn Sanchez moved to approve. , Commissioner Rene Villafranco seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to **APPROVE THE MINUTES OF THE REGULAR CITY COMMISSION MEETING OF APRIL 2, 2019.**

ITEM 7. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FISCAL YEAR 2019-2020 DRAFT ONE-YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING, AND AUTHORIZE THE MAYOR TO SIGN THE CORRESPONDING APPLICATION FOR FEDERAL ASSISTANCE.

Fred Bell, Assistant City Manager, addressed the City Commission advising the CDBG Award for Fiscal Year 2019-2020 is \$378,668.00. In your packets is a spreadsheet detailing the allocations of funds based on previous commitments. After deducting street payment, general administration percentage at the Resaca Trail payment \$49,230.00 is available for disbursement. As indicated in the spreadsheet in your packet, the following four non-profit organizations submitted applications for funding; Amigos Del Valle requested \$20,000.00, the Boys and Girls Club requested \$30,000.00, Maggie's House, which is also the Children's Advocacy Center, requested \$8,000.00 and CASA has requested \$10,000.00. The total number for request is \$68,000.00. The applications were reviewed by staff and all were completed according to federal and local requirements. Based on the previous discussions, there is an availability of \$49,230.00. Initial recommendation was that \$40,000.00 be allocated to utility improvements, specifically the sewer system, for repairs and upgrades and \$9,230.00 for Park improvements. Also included in your packet is the application for federal assistance which is the City's acknowledgement of the award and affirmation that the rules and regulations will be followed. This form must be signed by the Mayor and would subsequently be submitted to HUD. Once the Commission approves the dissemination of funds, a Public Notice will be published in the San Benito News. There will be two Public Hearings, June 25th and July 16th. If the Commission does not make any changes, no further action will be needed and the funding allocations will be dispersed as directed by City Commission. I am prepared to answer any questions. City Manager Manuel De La Rosa, addressed the City Commission recommending to table this agenda item until the financial advisor of the next three items gets resolved because that will tell us where we are. I wanted to at least present this to you, the applicants. How much funding is available, but before you make a decision, we should move on to Agenda Item 8. That will kind of tell you exactly how the numbers fit in with the participation with the Joint Meeting with EDC, if this goes in or not. Agenda Items 8, 9, and 10 are all one item. Let's move through those and then it's my recommendation that we come back to Agenda Item 7. Mayor Benjamin Gomez, agreed and announced, we will move on to Agenda Item 8 and leave this matter after Agenda Item 10.

Mayor Benjamin Gomez announced moving to Agenda Item Number 10.

CONTINUATION OF AGENDA ITEM 7. ITEM 7. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FISCAL YEAR 2019-2020 DRAFT ONE-YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING, AND AUTHORIZE

THE MAYOR TO SIGN THE CORRESPONDING APPLICATION FOR FEDERAL ASSISTANCE.

Fred Bell, Assistant City Manager, presenting item, stating based on the discussions of the City Commission, funds being determined where to allocate. **Commissioner Ricardo Guerra**, questioned the general administration, what is the general \$73,000.00. **Fred Bell, Assistant City Manager**, stated requirement that you cannot allocate more than twenty percent of the overall award for administration. Administration covers salaries, office supplies, anything pertaining to the administration of the grant. Currently, there are actually three positions that receive partial funding out of the CDBG Grant. It's more than one full-time employee. We utilize staff from other departments, for example, the environmentals, we utilize someone from Planning Department to assist. Part of that staff salary is allocated, part of my salary is allocated out of that, and then of course, the Coordinator of the CDBG, her salary is applied towards that. It covers all City approved benefits as well as far as retirement insurance as well. **City Manager Manuel De La Rosa**, advised Ms. Elvira Cavazos salary is eighty-five percent, how much is yours and how much is Mr. Leal. **Fred Bell, Assistant City Manager** advised he is at ten percent and Mr. Leal is ten percent. **Mayor Pro Tem Carol Lynn Sanchez**, stated, we've found our \$50,000.00. **Commissioner Ricardo Guerra**, requested clarification, if Planning Department is at ten percent and CDBG is eighty percent. **Fred Bell, Assistant City Manager**, confirmed. **City Manager Manuel De La Rosa**, advised if Ms. Cavazos is at one hundred percent, she can't do anything but CDBG. Mayor, when you are here during the day and you see her at the front, she also helps us on other forms, so, therefore, based on that time, we allocate how much time she spends on items with the City and then how much time towards the HUD stuff. Same thing with supervision and environmental. We stay below maximum that we are allowed to. We also report this to HUD. **Fred Bell, Assistant City Manager**, address the city commission, if I could have some of the unknowns, we do not have the final rate for what the City's contribution will be as far as the insurance, those other benefits. So, at the end of every year, we typically have a little bit of available funds that come back to the City Commission and request guidance of where to allocate, making sure we don't under budget because we have to go back to the feds and do all the explanations as far as that. We typically, we cap it right about at nineteen percent that we put towards administration of the grant or the award. **Mayor Benjamin Gomez** asked the City Commission if they had any more questions. None received. **Mayor Benjamin Gomez** requested a motion. **Commissioner Rene Villafranco** moved to approve. **Mayor Benjamin Gomez** requested a second. **City Manager Manuel De La Rosa**, stated, wait a minute, are you asking for the. **Fred Bell, Assistant City Manager**, yes, we need the allocation of the \$49,230.00. **City Manager Manuel De La Rosa** questioned how do you wish to allocate. **Mayor Pro Tem Carol Lynn Sanchez**, asked, are we deciding that today, I thought it was just to put it on the. **Fred Bell, Assistant City Manager** advised, you can, the concern is that we have to make sure that we present everything and file the paper and get it back to HUD. I am not sure if by delaying, we have through publication period, we have to go through two public hearings and the second public hearing is in front of this Commission for the final. Today, it would be a recommendation. **Mayor Pro Tem Carol Lynn Sanchez** asked about the applications for CDBG, so what if we just motion to put it in the publication for the loan or not. **Fred Bell, Assistant City Manager**, we do have the applications from the non-profits. They're in your packets. **City Manager Manuel De La Rosa**, advised they're in your packets. **Commissioner Rene Villafranco** stated, so the only thing the City is requesting is \$9,000.00 or so to go to the Parks. The \$49,000.00 that's what it is. **Fred Bell, Assistant City Manager** advised, that was the recommendation. **Commissioner Rene Villafranco** stated, and the forty go to one of the scenarios, we did away with that scenario so that puts back the \$49,000.00 where it belongs. So, the only thing the City is requesting is \$9,000.00 and some,

so the \$40,000.00 goes back to the non-profits. Or does it stay there for now? Fred Bell, Assistant City Manager, stated, that's your decision. City Manager Manuel De La Rosa confirmed. Commissioner Rene Villafranco, that's what I'm asking. Fred Bell, Assistant City Manager stated you have available \$49,230.00, total in funds that you can allocate if you all so choose to grant \$9,230.00, as part of staff recommendation to Parks, that leaves \$40,000.00 available for you to disperse. What staff is going to need is, where do you want that? And how do you want that allocated? City Manager Manuel De La Rosa addressed the City Commission stating my recommendation is that you have four applicants, if you include the City, like the Parks, that is 5. 5 times 9 is \$45,000.00, allocate each \$9,000.00. The City gets \$9,000.00 and we are done and we'll worry about the additional. Mayor Benjamin Gomez, stated, \$9,000.00 is a good enough number. Commissioner Rene Villafranco stated, so, what is your recommendation. City Manager Manuel De La Rosa advised, \$9,000.00 to all, \$9,000.00 to the four applicants, \$9,000.00 to the City. Commissioner Rene Villafranco stated, that's \$45,000.00. City Manager Manuel De La Rosa, advised, and then we'll worry whatever that \$1,000.00 is and we'll adjust. Fred Bell, Assistant City Manager, stated, that will still leave \$4,230.00. City Manager Manuel De La Rosa stated, we are still going to have a little bit when we figure exactly how that comes to TMRS and all, aren't we? Fred Bell, Assistant City Manager stated, no, that will go to administrative. City Manager Manuel De La Rosa, advised, my recommendation is that we divide the \$49,230.00 by five and whatever that number is. Mayor Benjamin Gomez stated, that's what they get. City Manager Manuel De La Rosa, confirmed. Mayor Benjamin Gomez requested a motion to divide the \$49,230.00 by all five. Commissioner Rene Villafranco moved to approve. Commissioner Ricardo Guerra stated that is five groups, and we are talking about the ones that came in. Fred Bell, Assistant City Manager, stated, the Boys and Girls Club, Amigos Del Valle, Maggie's House, and CASA. If you equally divide it, we are looking at \$9,846.00. Commissioner Rene Villafranco, stated actually CASA is getting what they asked for. City Manager Manuel De La Rosa advised, and you can do that. Commissioner Rene Villafranco stated, we're being generous. City Manager Manuel De La Rosa advised, well, we treat them all the same, fair. Mayor Pro Tem Carol Lynn Sanchez, questioned are we going to have a second motion. Commissioner Rene Villafranco stated, yes, we can. They are getting more, Manny. City Manager Manuel De La Rosa, confirmed. Commissioner Rene Villafranco, said, the last time we divided, they are getting more. City Manager Manuel De La Rosa, advised, I think we've done it in the past, since I have been here. Commissioner Rene Villafranco, stated, we gave everybody the same. Fred Bell, Assistant City Manager, stated, to answer the question, yes, you can. I come up with \$9,846.00. Commissioner Ricardo Guerra, addressed Mayor Benjamin Gomez, stating, I want to make a motion to give Amigos Del Valle, Boys and Girls Club, Maggie's House and CASA, \$8,000.00 and the City go with \$12,000.00 is that more or less my calculations. Fred Bell, Assistant City Manager, stated, so, you recommend \$8,000.00 for the four non-profits, that would be \$32,000.00. That would be about \$17,230.00 to the City. City Manager Manuel De La Rosa, stated, \$8,000.00 for the four and \$17,230.00 to the City. Mayor Benjamin Gomez, announced, I have another motion on the table for \$17,230.00 for the City and \$8,000.00 each for the other recipients. Mayor Pro Tem Carol Lynn Sanchez seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to APPROVE \$8,000.00 TO EACH OF THE FOUR APPLICANTS AND \$17,230.00 TO THE CITY ON THE FISCAL YEAR 2019-2020 DRAFT ONE-YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING, AND AUTHORIZE THE MAYOR TO SIGN THE CORRESPONDING APPLICATION FOR FEDERAL ASSISTANCE.

Fred Bell, Assistant City Manager, requested clarification, that \$17,000.00 is going to be for Park improvements. **Mayor Pro Tem Carol Lynn Sanchez** stated, that was my question, so I kind of wanted to, I know we wanted to, could we not add those \$17,000.00 to the CDBG for the debt we are getting into, so I actually wanted to vote for this one first before. **City Manager Manuel De La Rosa**, advised, this is for Mr. Don Gonzales and requested for him to step up. The motion is going to be rescinded in a minute but the idea is to allocate a portion of the four applicants and the \$17,230.00 toward the debt. Who made the motion, if you all withdraw? **Mayor Pro Tem Carol Lynn Sanchez**, stated, I did and I motion to withdraw. **Mayor Benjamin Gomez**, stated, no, whoever motioned has to withdraw. It was Commissioner Ricardo Guerra. **Mayor Pro Tem Carol Lynn Sanchez**, advised, I motion to withdraw the previous motion on Agenda Item Number 8. **Mayor Benjamin Gomez**, announced we are withdrawing motion made by **Mayor Pro Tem Carol Lynn Sanchez**, on Agenda Item Number 8. **Commissioner Ricardo Guerra** seconded the motion. Voting Aye; **Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra**. Motion carried to **WITHDRAW THE PREVIOUS MOTION ON AGENDA NUMBER 8.**

City Manager Manuel De La Rosa, advised the City Commission, if you go back to Agenda Item 9, not 8, this is why I need Mr. Don Gonzales, we are going to, we need to amend that motion. The CDBG contribution from the City toward it would be \$17,230.00. So, we now have scenario three, \$65,000.00 from EDC and \$17,230.00 from CDBG funds. You'll change it and incorporate that to the plan. **Commissioner Ricardo Guerra**, advised, you got it, hopefully, nobody loses their job. I made a recommendation, whoever made the original motion on that, if you'll. **Mayor Pro Tem Carol Lynn Sanchez**, stated we have three workshops in the budget, we could sit down and bring a little highlighter and go through and see where we can cut and avoid. **City Manager Manuel De La Rosa**, advised, no, we will be making those recommendations during that process it is not arbitrary. **Commissioner Ricardo Guerra**, stated, I was short by \$2,000.00. **City Manager Manuel De La Rosa**, confirmed, you need to rescind. **Mayor Benjamin Gomez**, asked, a motion on which one? **City Manager Manuel De La Rosa**, advised, on Agenda Item Number 8 is where we motion with the plan.

ITEM 8. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION APPROVING THE CITY'S PLAN OF FINANCE PERTAINING TO THE CONTEMPLATED ISSUANCE OF OBLIGATIONS TO BE DESIGNATED AS "CITY OF SAN BENITO, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019"; AUTHORIZING THE CITY STAFF AND THE CITY'S FINANCIAL ADVISOR AND BOND COUNSEL TO PROCEED WITH THIS PLAN OF FINANCE; AND AUTHORIZING OTHER MATTERS RELATED TO THE FOREGOING.

Mr. Don Gonzales, Senior Management Director of Estrada and Hinojosa and Company, addressed the city commission thanking the Mayor and Commissioners, and introduced himself, for the record, Don Gonzales, with Estrada and Hinojosa, stating, we serve as financial advisor to the City of San Benito. We have for you an updated presentation from little over a week ago. The preliminary financing team would consist of the City of San Benito as the issuer, Estrada Hinojosa as the financial advisor, Norton Rose Fullbright as bond counsel financial institution that would actually be buying the certificates of obligation and then a private placement agent that would be utilized for the bidding process. Underlining current credits for the City of San Benito are; A1 by Moody's, A by SNP and A1 by Fitch. **City Manager Manuel De La Rosa**, advised Mr. Gonzales that Commissioner Ricardo Guerra had a question about the financial institution, how are they selected, what is the process? **Mr. Don Gonzales** explained by advising the city commission to back up to page one, what we would anticipate

doing is selecting a private placement agent which is similar to what we have done in the past for the City of San Benito. We don't go through a formal process but there is a few out there that will serve in that private placement agent roll. Typically, it's about \$5,000.00 to \$10,000.00 and then we would go through them to go out to bid to different banks to be able to give us the best interest rate that they would bid for this roughly \$1.5 million. We would set up a term sheet that would dictate \$1.5 million, there being no rating associated with this but the underlying credit ratings are shown. A maximum term of ten years certificates of obligation that would be issued under the certificate of obligation act. They would have all the legal requirements associated with that and we would set forth the terms in which they would bid. Whoever, comes in with the best bid for the City of San Benito is who we would recommend as long as it meets all of the requirements financially and legally for the City and what we are trying to bid here. That would be the process for that. In the past, we have received very good results. It has proven itself to being very effective. **Commissioner Ricardo Guerra**, asked, do you know the rate we have right now, that the banks would be bidding on. **Mr. Don Gonzales**, responded, what we have estimated in here, I believe is 3.25%. I believe is on page eight, we estimated 3.25%. **Commissioner Ricardo Guerra**, stated, but that can come lower. **Mr. Don Gonzales**, confirmed and stated, I have actually spoken with one bank that is looking to bid on another deal that is similar to what we are looking at and they think that they are going to be just under 3%, so it can be on 2.9% range. We are hoping that we will get a bid that will be a bit lower than the 3.25% that we have estimated here. Keep in mind we wouldn't be getting bids for probably another month or so and we wouldn't lock them in until this comes back to the City Commission for a vote and that will probably occur in late July early August. So, about a month and a half from now. Rates could move a little bit within that time that is why we have a slightly higher interest rate here in the estimate. **Commissioner Ricardo Guerra**, stated, I have been talking to the Water Board, I know some of the Commissioners do not like it, but I have and I know that they hold that whatever the interest rate is, 1.65 take that from, if it is 3%, you know take 1.65 off of it and we are talking about 1.8. somewhere in between that. I have not talked to her because she is very busy but I was able to get a hold of her this afternoon and she is willing to come down to talk to the Mayor and the Commission on July 19th, that is the best day that she can come in here and give us a rundown of what water board is about and what they can do. She believes that she can do a lot better than what the banks are but you know, it is going to be up to you guys and to the Commission to see if we either ask her to come and get that information going or, to me it is, 1.8% I think is pretty good. But, we'll see what the commission thinks on it. **Mayor Benjamin Gomez**, asked, is she guaranteeing the 1.8. **Commissioner Ricardo Guerra** stated, it's whatever the percentage is, if it's a 4 or 6 whatever, which was last year a 6, then whatever it was, 1.65 take that from the current, whatever the current. If we lock it in at 4, then take that 1.65 off. **Mayor Pro Tem Carol Lynn Sanchez**, asked, why is she taking it off? Because of the application we filed or is there a program? **Commissioner Ricardo Guerra**, stated, that is what the water board is offering. **Mayor Pro Tem Carol Lynn Sanchez**, asked, so, is it a grant. **Mr. Don Gonzales**, addressed the city commission, it's actually a subsidy from EPA. I've done a number of transactions like that. We've actually done them for the City of San Benito in the last 20 years. It is something that if that's what the City chooses to do, we can certainly assist with that. I think when we discussed it, I think it was last year or a couple of weeks ago, I think there were a couple of issues. One was a little bit of timing and the other one was the level of documentation that you would need to go thru. There may be other issues there. We don't have any bias, one way or the other, so whichever direction you would want to go in, we are happy to help you get that done. We just wanted to bring this scenario and update from our last meeting but whatever direction you and the City Manager choose to go in, we are happy to get that done. I have clients right now that

are going thru that and they've received very good results. The challenge for them was, they started the process 10 months ago, so we are at a point right now when we are going to borrow the money. So, it is a little bit long of a process but we are completely happy to do whichever your presence is. **Commissioner Ricardo Guerra** advised that is one of the questions that she was going to bring in to us, I mean, we would have to have the documentation already turned in or already processed to be able to turn it because we are in a time frame already between August and September that is when everything is going to be looked into. **Commissioner Rene Villafranco** asked, so this is not a guaranteed deal? **City Manager Manuel De La Rosa**, advised, it's a loan, is not a loan forgiveness program. **Commissioner Ricardo Guerra**, said, no, it's not a loan forgiveness program. Loan forgiveness was, a couple of years ago, was almost, whatever the amount was, now the loan forgiveness is only \$4 million. They capped it off because too many of the big cities were taking everything and leaving the small cities behind. So, what happened is, now it's capped. Any loan forgiveness is capped at \$4 million and that's it. **Commissioner Ricardo Guerra**, stated this is for the loan. Like we are going for a loan right now. **Mayor Pro Tem Carol Lynn Sanchez**, stated, it's not a guaranteed loan, right, it's the one that we talked about at length. **Mr. Don Gonzales**, confirmed, this one, is depending upon, there are two different subsidies, one is either the 1.65 as you mentioned Commissioner or there is a 1.35%, and that is a subsidy where they reduced the interest rate by that amounts. You are exactly correct, Commissioner Guerra, it depends on a couple of requirements to get the higher subsidy of 1.65%. The 1.35 is, and both of them are loans. Like I said, whatever your pleasure is, we are happy to get that done. Just understand the time frame is a little longer to get that executed. There may be additional documents on the engineering side that have to be completed, it's pretty more intensive in terms of documentation on the engineering side than anything else. On the finance and legal there is not a significant difference for us but on the engineering side there is quite a bit more documentation that has to be done in order to get the application in and submitted. It will have to be done very quickly given our time frame. **City Manager Manuel De La Rosa**, advised, as you might recall, we started looking at CO's and we started looking at what the impact would be this year and next year if we stayed with the CO's we are on the timeline that was presented. It hits during the summer months during the budget process so we can have it in effect. Based on the participation from the EDC more specifically at \$65,000.00 certainly brought our contribution for one year on the 1.5, so to stay on that timeline. You can certainly stop, since, I think this year, and what I've indicated and the way the presentation is, we are not proposing a tax or net worth rate increase for this year, right? But, for the 6.7 whether it's a loan, Water Development Board, we said it probably will be available on March. That 6.7, I do not think that there is any doubt that we are going to have to do something, either raise taxes, raise water rates structures. This year, our friends at the EDC helped us so that we would not make that increase in the water and sewer rates, right? That is for the 2019-2020, so if you do that process and because since the joint meeting in the last week, I said, ok, the Commission hasn't said that we aren't going to look at the Water Development Board funding that is going to be available January and the funds will be available sometime in the spring. Again, I had a conversation with Commissioner Guerra on Friday, I think we can do it, we need to have measures in place to make sure we have project managers. So, it is not a true number, it is going to be that we will put somebody to make sure that we have this oversight. I still believe that we have to ante this compliance issues which we are going to have to account for in the monies. Some of the savings that we are going to have for the water development board will still be taken up because we will have the professionals working for us either on staff or outside. If you stop the process now which is good because I do not think that we are going to affect COs, the COs if we stop today, would not affect the tax rate. We still believe that we are going to get funding from the EDC whether we fund this year

or not, but the water development board funding will take us months. We basically start the process over, you have to go, it is called a debt procurement. Remember this are EPA Federal fund coming thru the state coming to us. The state has requirements; the feds have requirements which means that we will go off for procurement even though in all likelihood, the same financial advisers, same bond counsel and engineering, we will have to do much more work to get it through the process so we are still months behind. The little bit of the process, the longer time, August is just the engineering. I can tell you that the engineers, we've dealt with a garden pass, we've dealt with alpha infrastructure. The frustration here lately has been, you can't even get on a guardrail like on Stenger and Business 77, has taken me six weeks to get an engineer because everybody is busy because there is a lot of work going on in the county. Those frustrations have been passed down to the staff to get this thing done and that was just getting some assessments done and I had TX DOT engineers and our own engineers and outside engineers. You see the time delay, I do not know if I can get the engineering done and we've got two engineers and we know busy they've been. I just need you to understand that. We'll do whatever we're told and if it takes longer, it takes longer. Because, there is no longer the fear that this year I am not recommending an overall increase, I think that you will support that this year. We can do that process and we'll certainly know what that, the bigger loan that we need, the second portion. Right now, we are trying to get the planning and design out of the way so that it would give us a better idea of what lift stations we are going to improve, what lift stations we are going to do away with. [Mr. Don Gonzales](#), advised, since we've gone through this before, I am going to, there is page two and page three which is asks for any data of the city. There is the principal and interest payments on page three. Moving to page four, we have the estimated project cost \$6.7 million for the rehab of the lift stations and construction. \$1.5 million for the engineering survey geo-tech and administrative, for a total \$8.2 million. Put those two together, we would be looking at two separate transactions of approximately \$1.5 million and \$6.7 million for a series 2019 Certificates of Obligation issuance and then for construction in 2020, \$6.7 million. We added this because there was little bit of a discussion last time regarding the tax rate. I wanted to give a little bit of history, the general fund which is often referred to as a maintenance and operations tax rate, has historically being in the mid-60's. About .67 cents in 2013, 2019 was about .65 so it is .6568, it's .65 cents. On the debt service side, which pays just the tax on the debt service or INS, the interest in sinking fund was a nickel. Five cents in 2013 and here in 2019 it has been seven cents. The total tax rate between the two is at about .72 cents. There really hasn't been much of tax change in the last six years, it has stayed at just under .73 cents. Any questions on that page? On page six, this is what the debt service looks like currently based on the last issuance on 2018. As you can see, in Column K. I am just going to walk you down Column K. In 2021, the tax rate is estimated to go from about .7 cents to just under .10 cents that is if you don't issue any debt. Right now, based on information that we had in 2018. Now, the good part is that assessed values in Column B, have gone up in 2019 and in 2020 and hopefully it will go up in 2021 and it will eliminate part of that tax rate increase that will show up in Column K by virtue of the increase in the assessed value. This is what it looked like back in 2018 as of the last transaction that was completed. On Page seven, what we have been provided is currently on Columns A thru B but the City has been contributing towards debt service from sales tax, CDBG Funds, Economic Development Corporation and water and waste water utility. In Columns F, H and J, is what we received from the City as possible additional contributions. In Column F, \$40,000.00 more from CDBG funds, from the EDC an additional \$65,000.00. Each of these would be for the 10 years of the terms of the bonds and then water and sewer would be picking up an additional amount as you can see on Column J. The first year would be pretty minor, almost nominal amount of \$15,000.00. Page eight, [City Manager Manuel De La Rosa](#), stated, Mr.

Gonzales, leaving it at that, \$15,000.00, we can subsidize thru the general fund and not have to do anything to the water and sewer, there is no increase. That was just a category that was placed in. **Mr. Don Gonzales**, stated, on page eight, now we are going to focus on scenario one and on scenario 1, what we are looking at is those three highlighted columns that I mentioned with an additional contribution coming from CDBG, EDC and wastewater utilities system. We would still be issuing the \$1.5 million and you can see on Columns E, F and G, the principal, the interest and the total debt service in Column G. You can see on Column B, the growth and the assessed evaluation from the \$595 million to \$632 million in 2019 and then \$656,558,442 of which is projected for 2020. The aggregate debt service in Column A is the existing in Column B plus what is in Column G and then in Column I reflects the additional contributions from EDC, CDBG and water and wastewater utility. Column J, we would be looking for about \$13,500.00 contribution from the issuer and that would keep the tax rate flat in Column L, you can see staying at .07 cents. That is with an estimated interest rate of 3.25%. Moving on to Page nine, what we have here is what the 2020 transaction would look like. This would be for the construction of and the work in the lift stations to be about \$6.7 million. Again, the information on Column A, B, C, D and E remain the same. E, F, and G would change to reflect the now \$6.7 million of funds that would be borrowed. As you can see, we would have interest only for the first 3 years in Column F and then total debt service in Column G we would have the amount of self-supporting debt that is in Column I. Again, with the greater support of CDBG, EDC and utility system and the \$13,500.00 contribution and here, we would see the tax rate be going up in 2021 from seven cents to nine cents. Here, we used an estimated interest rate of 3.52% so, a little bit higher given that it is a year and a half away from the time that we would be borrowing that money and interest rates would be going up in that time frame. On Page ten, now we are moving to scenario 2, in this particular case, there would be no longer any contribution from CDBG. In Column F, that would go to 0. The EDC would be contributing the \$65,000.00 a year in Column H for ten years and then Column J would reflect the changes in water and sewer utility system revenues that would be contributed towards the debt service. Page eleven is going to look similar to what we had I believe on Page eight. But now, what we are looking at is no longer that contribution from CDBG funds. What is going to change is Column J. The issuer contribution will go from \$13,500.00 to \$53,500.00. That would be funds that need to be budgeted out of the general fund in order to keep the tax rate at .07 cents so it would not go up in Column L. We used the same interest rate estimate at 3.25%. Page twelve, again with this scenario, no contribution from CDBG of \$40,000.00 but there would be the \$465,000.00 from EDC and an issuer contribution of \$53,500.00 as you see in Column J and also the increase in utility revenues to support the debt service. Here, you will see the tax rate in Column L with this \$6.7 million borrowing going from .07 cents to ten cents. That again, is usually the 3.52% interest rate. Those are the two scenarios that we have for you to consider, their basic difference is the contribution of the \$40,000.00 from CDBG. Whether or not you would want to do that or if you would want to make an issuer contribution from your maintenance and operations from the general fund budget for that year. Each year thereafter you would either need to increase the amount of utility system contribution by that \$40,000.00 or look to increase the amount contributed from the general fund by that \$40,000.00. The timetable which is on the second to the last page. We are here today on the 18th you are to consider the plan, pick which you would want to do either scenario 1 or scenario 2. We would have the publication on the newspaper on June 20th, second publication on June 27th. Then, during the month of July, we would prepare the term sheet, go out to bid to the different banks, receive those bids by the end of July and then look to be back before the City Commission for a final interest rate on August 6th and closing by the end of August. We have seen interest rates come down. It is anticipated that the Fed is probably going to make a reduction in interest rates

in July so that will be one of the factors playing into this. Timing wise, I think it is to the City's advantage to be looking to be borrowing now. We've seen interest rates come down considerably in the last ninety days. The last page is a disclaimer that we are required to put in according to the SSC basically saying that the numbers that are in here are provided by the city or estimates are not to be considered final. This is based on estimates that we have not locked in interest rates. With that, I am happy to answer any questions. **Commissioner Rene Villafranco**, questioned, the difference between 1 and 2 in the year 2021 is ten cents and then in the year twenty, and for plan 1 and plan 2 is nine cents? **Mr. Don Gonzales**, confirmed, yes, sir, we are focusing on Page 9 and Page 12. So, here is Page 12 and you can see that the tax rate goes up to 10 cents and on Page 9, 9 and 1/3 penny, so it's about 7/10 of one penny difference. **Commissioner Rene Villafranco**, stated, and this, we are talking about long term, the whole package, the whole money that we need to fix whatever interest. **Mr. Don Gonzales**, advised, well, that would be the estimate for that one year, Commissioner, because each year, as you can see, we have no growth in Column C starting in 2021. **Commissioner Rene Villafranco**, stated, the increase that I am referring to is the whole package, the \$8 million, right, on the larger number. **Mr. Don Gonzales**, confirmed yes, sir. **Commissioner Rene Villafranco**, stated, so plan 1 is to leave CDBG and plan 2 is to take it out? **Mr. Don Gonzales**, confirmed. The thing that we don't know for 2021 is how much growth the City would have in assessed value. For example, in 2019, it went up a little over 6%. This year, it is estimated, we do not have final value yet, we would not have that until next month, but right now, based on the information we received from the director of finance, it is up about 3 and 3/4%. So, values continue to rise, you could see both of them being at about nine cents. The difference is pretty small. **Commissioner Rene Villafranco**, stated, the general fund would be in fact \$52,000.00 in 2020. **Mr. Don Gonzales**, advised, correct versus \$13,500.00. The City would need to make that \$40,000.00 difference. **Commissioner Ricardo Guerra**, stated, so, you are still looking that the CDBG and EDC money can still be used by the city. **Mr. Don Gonzales**, advised, for this type of project, correct, yes, and I did talk to bond counsel, I do remember Arnold Cantu for Norton Rose Fullbright, and when I spoke to him last week, he confirmed that the City would need to have a public hearing but there would not be any petition that could be brought based on that particular public hearing. Now, the citizens could bring forth a petition because these are certificates of obligation and force this to go to a vote on this million five and then on the \$6.7 million. But that would be something separate from having the public hearing on these projects that would be contributed to make this bond issue. **Commissioner Rene Villafranco**, stated, so, that paper, that information that you are telling me right now, is that going to inside with the records. **Mr. Don Gonzales**, asked, the public hearing? **Commissioner Rene Villafranco**, stated, well, the EDC and the CDBG, it's kind of weird but I mean, as far as getting that money and using it for us. Could you guarantee me that that information is going to be in our records. **Mr. Don Gonzales**, advised, no, I can't guarantee the attorneys would be doing that work, they will be drafting the documents so it would be a local agreement. That would be between the EDC and the City. So, Norton Rose Fullbright drafted that last time, actually on the last two transactions that the city has done where there was an inner local between the EDC and the City. They will be using basically the same document that was used before so that has already been vetted and has worked. They will be the ones drafting that we don't do the drafting of those legal documents. **Mayor Pro Tem Carol Lynn Sanchez**, stated, just to confirm, CDGB and EDC are on this already. **Mr. Don Gonzales** confirmed. **Mayor Pro Tem Carol Lynn Sanchez**, stated, because they have already done projects like this. **Mr. Don Gonzales**, confirmed. **Mayor Pro Tem Carol Lynn Sanchez**, stated, and our payments are. **City Manager Manuel De La Rosa**, advised, the CDBG fund has to be allocated every year. It can't be committed today for ten years out. Every year you'll have to take that action to commit it to

those and in accordance to federal because HUD regulates those funds. **Commissioner Ricardo Guerra**, stated, meaning that if we find our money somewhere else, in a general account to offset the \$40,000.00 or whatever the CDBG money. **Mr. Don Gonzales** stated, we come back in an annual basis. **City Manager Manuel De La Rosa**, confirmed, now, in bond counsel, Mr. Cantu did receive a call from the EDC's attorney, Mr. Tony Torres, he mentioned the joint meeting that they had spoken also at that conversation with Mr. Cantu. As you might know because of the recent house bills that the governor signed on Friday, it'll takes us, based on those house bills that Senator Lucio and Representative Lucio helped pass for us, it'll take us about three years and we'll see a return and property values will go up. We do see that we are going to have a return on that and we are going to be able to stabilize. I was asked Friday at a meeting why are we not raising taxes if we said we were. Well, because of the Joint Meeting, if we try to hold, it is not fair to raise taxes when we have 35% of our population at or below poverty level. So, we are affecting 25,000 people and 35% of them are at that level. If we maintain taxes and we try to carry it and stabilize and then the return to the City is these house bills that will improve the quality of life because of the type of development that these house bills will generate for us. These analyses are based on flat lines, there is no guarantee. The financial advisors have provided, we've had conversations, the funds can be utilized. You heard it at the joint meeting, we've done it in the past, we have those communications fairly often. I do not know what the White House is going to do next year and it may not be next year, I have to re-organize. But, for this year, we are good and that is what we are worried about. What is the budget going to look like and the tax rate that we are going to set in September for October 1 Thank you. **Commissioner Ricardo Guerra**, asked, is this going to affect our rating? **Mr. Don Gonzales**, stated, no, sir, in fact, one of the thing, I'm sorry. **Mayor Pro Tem Carol Lynn Sanchez**, stated, they said last time, as long as we stay under the ten for the fiscal year we would be ok. **Mr. Don Gonzales**, advised, the \$10 million actually is for bank qualified debt but from a rating prospective, we don't see that this amount of borrowing is going to have any negative impact even though we wouldn't be seeking a rating. Primarily for two things; number one, is you are borrowing money to address infrastructure needs, when we actually are seeing cities get downgraded is when they don't address their infrastructure needs. A perfect example happened about a dozen years ago, City of Dallas was not addressing their infrastructure needs. They said, well, we don't want to borrow the money and the rating agency said, yeah, but your problems are growing and growing and your lack of desire to address them, we are downgrading it. So that is what they did. It can actually have the opposite effect by not addressing it. By addressing it, I actually think that you will be in better shape and the fact that you are addressing it at a very low interest rate environment is very prudent on the part of the City. **Mayor Benjamin Gomez**, asked, do we vote on individual, do you have a question commissioner. **City Manager Manuel De La Rosa**, advised, you can or you can do it know if you know what you want because this is where the other two items just follow because it helps us recoup. You can do it at eight now. You have to choose option 1, leading scenario, option 2 without the CDBG. Once you know which of those two options, the recommendation is to approve this resolution but tell us which of those two options first. Then, staff recommendation is to approve the resolution. **City Manager Manuel De La Rosa**, only if you have a legal question, not to discuss, very specific only. **Mayor Benjamin Gomez**, requested a motion for Scenario 1 or a motion for Scenario 2. **Mayor Pro Tem Carol Lynn Sanchez**, moved to approve Scenario 2 without CDBG. **Mr. Don Gonzales**, confirmed. **Mayor Pro Tem Carol Lynn Sanchez**, stated my motion is for Option 2. **City Manager Manuel De La Rosa**, advised, let me answer Mayor Pro Tem, the \$50,000.00 would mean, we will look at what we can remove certain personal services and that is what we are going to do. **Mayor Pro Tem Carol Lynn Sanchez**, stated, \$50,000.00 but we didn't even get \$50,000.00 from CDBG last year. **Commissioner**

Ricardo Guerra, stated, basically, you are going to trim the budget. City Manager Manuel De La Rosa, stated, we are going to trim the budget, somehow. Commissioner Ricardo Guerra, questioned, doesn't mean personnel. City Manager Manuel De La Rosa, advised, we don't know where, and here is why, remember, last year we didn't have Southside Park, we didn't have that increase and we didn't have those responsibilities. Water Plant 2, we are still adding staff and we are not online yet. There are certain things that we are going to move. There are certain departments that we are looking to see exactly where we are re-structuring departments city wide and I think that you have seen those e-mails that I sent out last week. So, for a year, we are good. Next year, we are going to have to ramp back up because we are re-structuring departments right now. There are going to be some savings, we are going to do that but there be no doubt, I am cutting \$50,000.00 from somewhere without hitting our reserves or any of our funds. But, we are trimming somewhere. Mayor Pro Tem Carol Lynn Sanchez, stated, it says right here that it didn't include the CDBG, am I correct? City Manager Manuel De La Rosa, asked, which page ma'am. Mayor Pro Tem Carol Lynn Sanchez, advised, I did see that this wasn't included that taxes weren't supposed to go up. City Manager Manuel De La Rosa, advised, no, we are not increasing taxes, we just said that we were going to trim and we will do. Mayor Benjamin Gomez, stated, Manny, we can find \$50,000.00 somewhere. City Manager Manuel De La Rosa, stated, yes, I assure you that for a year, we will float it. I assure you, I am already seeing which departments I am going to cut some personnel for a year. Mayor Pro Tem Carol Lynn Sanchez, said, I think we can cut back some other things too. City Manager Manuel De La Rosa, advised, yes, we will but it is. I just want to make sure. If you are still proposing, trying to move certain things forward, trying to keep employees that we need to keep but we are going to consolidate. Mayor Benjamin Gomez, stated, and you are good at it that is why you are good at what you do. Mayor Pro Tem Carol Lynn Sanchez, stated, everything that we are doing, all state training, all that can be cut. Commissioner Rene Villafranco, moved to second the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to APPROVE SCENARIO 2 WITHOUT THE CDBG, FOR RESOLUTION APPROVING THE CITY'S PLAN OF FINANCE PERTAINING TO THE CONTEMPLATED ISSUANCE OF OBLIGATIONS TO BE DESIGNATED AS "CITY OF SAN BENITO, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019"; AUTHORIZING THE CITY STAFF AND THE CITY'S FINANCIAL ADVISOR AND BOND COUNSEL TO PROCEED WITH THIS PLAN OF FINANCE; AND AUTHORIZING OTHER MATTERS RELATED TO THE FOREGOING.

Mayor Benjamin Gomez announced Mayor Pro Tem Carol Lynn Sanchez is withdrawing her motion previously made for Agenda Item Number Eight. Commissioner Ricardo Guerra seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to APPROVE THE RESCIND MOTION BY MAYOR PRO TEM CAROL LYNN SANCHEZ FOR SCENARIO 2 WITHOUT THE CDBG, FOR RESOLUTION APPROVING THE CITY'S PLAN OF FINANCE PERTAINING TO THE CONTEMPLATED ISSUANCE OF OBLIGATIONS TO BE DESIGNATED AS "CITY OF SAN BENITO, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019"; AUTHORIZING THE CITY STAFF AND THE CITY'S FINANCIAL ADVISOR AND BOND COUNSEL TO PROCEED WITH THIS PLAN OF FINANCE; AND AUTHORIZING OTHER MATTERS RELATED TO THE FOREGOING.

City Manager Manuel De La Rosa stated, the amounts for Scenario 3 is CDBG Contribution from the City \$17,230.00 and \$65,000.00 from EDC, and requested for Don Gonzales to change it and incorporate it into the plan.

Mayor Benjamin Gomez requested a motion for Scenario 3 including the \$17,000 as discussed. Mayor Pro Tem Carol Lynn Sanchez moved to approve. Commissioner Ricardo Guerra seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to APPROVE SCENARIO 3, CDBG CONTRIBUTION FROM THE CITY \$17,230.00 AND \$65,000.00 FROM EDC, FOR RESOLUTION APPROVING THE CITY'S PLAN OF FINANCE PERTAINING TO THE CONTEMPLATED ISSUANCE OF OBLIGATIONS TO BE DESIGNATED AS "CITY OF SAN BENITO, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019"; AUTHORIZING THE CITY STAFF AND THE CITY'S FINANCIAL ADVISOR AND BOND COUNSEL TO PROCEED WITH THIS PLAN OF FINANCE; AND AUTHORIZING OTHER MATTERS RELATED TO THE FOREGOING.

ITEM 9. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION RELATING TO ESTABLISHING THE CITY'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR LAWFUL EXPENDITURE OF FUNDS RELATING TO CONSTRUCTING VARIOUS CITY IMPROVEMENTS FROM THE PROCEEDS OF TAXEXEMPT OBLIGATIONS TO BE ISSUED BY THE CITY FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

City Manager Manuel De La Rosa, addressed the City Commission, advising staff recommends approval of this in consultation with bond counsel and also our financial advisor. This is kind of a catch, it helps us for any of these expenditures that we do before hand, before we have funding so that we can reimburse ourselves. Commissioner Rene Villafranco moved to approve. Mayor Pro Tem Carol Lynn Sanchez seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to APPROVE RESOLUTION RELATING TO ESTABLISHING THE CITY'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR LAWFUL EXPENDITURE OF FUNDS RELATING TO CONSTRUCTING VARIOUS CITY IMPROVEMENTS FROM THE PROCEEDS OF TAXEXEMPT OBLIGATIONS TO BE ISSUED BY THE CITY FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS AUTHORIZING AND APPROVING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; AND PROVIDING AN EFFECTIVE DATE.

City Manager Manuel De La Rosa, addressed the City Commission stating City staff is recommending approval of this resolution. I worked with Bond Counsel and our Financial Advisors on this also, so this allows us to proceed forward with the CO 2019 Series as discussed. Mayor Benjamin Gomez, requested a motion. Commissioner Rene Villafranco moved to approve. Mayor Pro Tem Carol Lynn Sanchez seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra. Motion carried to APPROVE RESOLUTION BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS AUTHORIZING AND

APPROVING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; AND PROVIDING AN EFFECTIVE DATE.

ITEM 11. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE APPOINTMENT OF MR. LUIS D. GONZALES, JR., TO THE CITY OF SAN BENITO CIVIL SERVICE COMMISSION, PLACE I POSITION, FOR THE TERM EXPIRING ON MAY 31, 2020.

Yolanda Villafranca, Human Resources and Civil Service Director, addressed the City Commission requesting consideration and possible action to approve Mr. Luis Gonzales as a Civil Service Commissioner for Place 1. Mayor Benjamin Gomez requested a motion. Commissioner Rene Villafranco moved to approve. Commissioner Ricardo Guerra seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to **APPROVE THE APPOINTMENT OF MR. LUIS D. GONZALES, JR., TO THE CITY OF SAN BENITO CIVIL SERVICE COMMISSION, PLACE I POSITION, FOR THE TERM EXPIRING ON MAY 31, 2020.**

Mayor Benjamin Gomez, addressed Mr. Fernando Del Valle, Valley Morning Star, it is not a conflict of interest because he works with the school district. Mayor Benjamin Gomez, requested for Mr. Gonzales to come up and say a few words. Mr. Gonzales, addressed the City Commission and audience, stating, good evening everyone, Mayor, Commissioners, City Manager De La Rosa, I am delighted and excited about re-joining the Civil Service Commission again. I previously served in 2008-2011 and it was a very rewarding experience for me. My background; I have a Bachelor's Degree on Government so I was aware. We worked in projects during college where we had to deal with civil service on the City of Brownsville when they were starting in the early 90's. Don't judge me, I am showing my age, but I was very familiar with that and of course, serving at that time. I know that I will take my role very, very seriously. All the city boards are important but I believe that this one is one of the more worthy because it serves and protects and works with our service providers in our district which are police officers and our firefighters. So, I know that in previous times, during my previous terms that I served, we did have some very complex issues to resolve. Some of them were life changing and career changing experiences for some staff members. But I will always go in there like I did before with a very clear mind, very unbiased attitude. Always open to review both sides for the city's perspective. And of course, those that are up for review, at the civil service, so I take every item, every case will be looked at very impartially by me and I will serve with that dignity and that respect that the position deserves. Mayor Benjamin Gomez, congratulated and thanked Mr. Gonzales and thanked him for his service and welcomed him back.

ITEM 12. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A CONCESSION AGREEMENT WITH PRIM'S EVENT CENTER (ZUNIGA ENTERTAINMENT, LLC) TO PROVIDE ALCOHOLIC BEVERAGE SALES AT RESACAFEST 2019 ON SATURDAY, JULY 6, 2019 AT THE W. H. HEAVIN MEMORIAL PARK LOCATED AT 705 NORTH BOWIE STREET.

Luis Contreras, Cultural Arts Director, addressed the City Commission, advising we are gearing up for ResacaFest which is happening on July 6, at W.H. Heavin Memorial Park. One of the items that we do promote is of course our cold beverages. This item is to both secure professional services and not delay a permit application by Ms. Brenda Zuniga of Prim's Even Center to the Texas Alcoholic Beverage Commission. The concessioner has agreed to make a donation to The City of 25% of all proceeds raised at the event. City staff recommends

approval of this item. Mayor Benjamin Gomez, requested a motion. Commissioner Rene Villafranco moved to approve. Mayor Pro Tem Carol Lynn Sanchez seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to APPROVE A CONCESSION AGREEMENT WITH PRIM'S EVENT CENTER (ZUNIGA ENTERTAINMENT, LLC) TO PROVIDE ALCOHOLIC BEVERAGE SALES AT RESACAFEST 2019 ON SATURDAY, JULY 6, 2019 AT THE W. H. HEAVIN MEMORIAL PARK LOCATED AT 705 NORTH BOWIE STREET.

ITEM 13. CONSIDERATION AND POSSIBLE ACTION TO APPROVE MAINTENANCE REPAIRS BY INDUSTRIAL PERFORMANCE TO WATER TREATMENT PLANT NUMBER 2 CLARIFIERS NUMBER 1 AND 2, IN THE AMOUNT OF \$47,500.00.

City Manager Manuel De La Rosa, addressed the City Commission stating staff is recommending the approval of the proposal submitted by Industrial Performance for Water Treatment Plant Number 2, specifically clarifiers 1 and 2. The plant has not been operated since 2014. The clarifiers have been sitting there empty for the most part with other than the rain that is down at the bottom of the bases, but all the metal is exposed to the elements and is starting to rust. As you might recall, we recently did Water Plant 1, one of the clarifiers also because of that rust. It is a violation, so once Water Plant 1 goes back online, it cannot have this rust there, so we are looking at doing sandblasting, spot painting and treating those areas so that it will be compliant. We provided you with the quotes of all the others, the best one was \$16,500, and one was \$135,000.00 per clarifier. Again, we have been working with these contractors making sure that they do the work necessary for us to meet compliance and not over do. We met briefly with our utilities engineer today, we are continuing to oversee their product study. Once that is completed and all that, we are starting to address some of these maintenance issues and rehabilitating systems that we need that when the plant goes online, we don't have to stop to address something that we should have done. Mayor Benjamin Gomez requested a motion. Commissioner Rene Villafranco moved to approve. Commissioner Ricardo Guerra seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to APPROVE MAINTENANCE REPAIRS BY INDUSTRIAL PERFORMANCE TO WATER TREATMENT PLANT NUMBER 2 CLARIFIERS NUMBER 1 AND 2, IN THE AMOUNT OF \$47,500.00.

ITEM 14. EXECUTIVE SESSION:

- a) Discussion pursuant to Texas Government Code §551.087(2), to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations. Business Prospect 2018-003.
- b) Discussion pursuant to Texas Government Code §551.087(2), to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the

governmental body is conducting economic development negotiations. Business Prospect 2019-005.

- c) Discussion pursuant to Texas Government Code §551.072, Real Property: To deliberate about acquisition of land for public use. Project 2017-3.

THE CITY COMMISSION CONVENED INTO EXECUTIVE SESSION AT 6:55 P.M. AND ADJOURNED AT 7:43 P.M.

GENERAL SESSION:

ITEM 15. Discussion and possible action on item deliberated under Executive Session 14(a). Mayor Pro Tem Carol Lynn Sanchez announced NO ACTION ON AGENDA ITEM NUMBER 14(A) RELATING TO BUSINESS PROSPECT 2018-003.

ITEM 16. Discussion and possible action on item deliberated under Executive Session 14(b). Mayor Pro Tem Carol Lynn Sanchez motioned to move forward as discussed in Executive Session. Commissioner Rene Villafranco seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to MOVE FORWARD AS DISCUSSED IN EXECUTIVE SESSION ON PROJECT 2019-005.

ITEM 17. Discussion and possible action on item deliberated under Executive Session 14(c). Mayor Pro Tem Carol Lynn Sanchez motioned to move forward as discussed in Executive Session. Commissioner Rene Villafranco seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco and Commissioner Ricardo Guerra. Motion carried to MOVE FORWARD AS DISCUSSED IN EXECUTIVE SESSION ON PROJECT 2017-3.

ITEM 18: ADJOURNMENT.

Mayor Benjamin Gomez requested a motion adjourn. Commissioner Rene Villafranco moved to adjourn. Mayor Pro Tem Carol Lynn Sanchez seconded the motion. Voting Aye; Mayor Benjamin Gomez, Mayor Pro Tem Carol Lynn Sanchez, Commissioner Rene Villafranco, Commissioner Ricardo Guerra. Motion carried to ADJOURN AT 7:44 P.M.

Note: The City of San Benito does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the City Secretary at (956) 361-3800, Extension 103, by Monday, no later than 5:00 P.M., to make proper arrangements.

CITY OF SAN BENITO

Benjamin Gomez
Mayor

ATTEST:

Ruth McGinnis
City Secretary