



MINUTES

OF THE CITY OF SAN BENITO SPECIAL CITY COMMISSION MEETING & BUDGET WORKSHOP

On June 23, 2020 the City Commission met for a Special Meeting and Budget Workshop at the San Benito Community Building, 210 East Heywood, San Benito, Texas.

City Commission Members Present: Benjamin Gomez, Mayor; Carol Lynn Sanchez, Mayor Pro Tem; Antonio Gonzales, Commissioner, Place 1; Rene Villafranco, Commissioner, Place 2; Mark Sossi, City Attorney.

City Commission Member Absent: Vacant, Commissioner, Place 3

City Administration Personnel Present: Manuel De La Rosa, City Manager; Fred Bell, Assistant City Manager; Ruth McGinnis, City Secretary.

ITEM 1. WELCOME.

[Mayor Benjamin Gomez](#) called the meeting to order at 5:30 p.m. confirming a quorum.

ITEM 2. PUBLIC COMMENTS. (*Speakers/Remarks limited to three minutes. Public Comments limited to forty-five minutes*).

[Ruth McGinnis, City Secretary](#), announced no public comments.

ITEM 3: DISCUSSION OF THE 2020 AD VALOREM PROPERTY TAX RATE.

[City Manager Manuel De La Rosa](#) addressed the City Commission referencing to the Notice of the 2020 Tax Year showing City tax rate of 72.8125 cents per \$100.00 evaluation. Based on the Cameron Appraisal District preliminary appraisal values, if we were to adopt those values and maintain this tax rate today, we would have a shortfall of about \$1.5 million in the General Fund. Last year, the preliminary values were low but towards the end of the budget process, property owner's protests were resolved and established and we were up by about half a million. Due to the COVID-19, we foresee many property owner's protesting due to loss of job or loss of income next year. I'll provide you what the shortfall is on a comparison of a three cent increase and will address some others during the budget. You just saw the most recent audit and know what that looks like when we close at the end of the year. However, for this year, because of the pandemic, we are unaware what the economy is going to do or how property values are going to hit us.

ITEM 4. BUDGET WORKSHOP 1 FOR FISCAL YEAR OCTOBER 1, 2020 TO SEPTEMBER 30, 2021.

[City Manager Manuel De La Rosa](#) addressed the City Commission referencing to the City of San Benito Water and Waste Water Infrastructure Improvement Projects which was updated June 17, 2020 showing \$7.4 million which is for the seven Lift Stations and an improvement to Water Plant 1. Six of those seven Lift Stations are part of the SSOI, the agreement we have with TCEQ with compliance date of March 2023. Last year you issued debt for an assessment engineering, that has commenced, the rest of this is construction. For us to meet the 2023 deadline, we have to be under construction by Spring 2021 and complete the project in about twenty months, prior to the holidays of 2022. As soon as the holidays are here, you come out of the holidays because March is right at the corner and you have to be substantially complete those six Lift Stations to meet your compliance. There is no indication by the governor nor TCEQ that they are going to extend these deadlines even with this pandemic. The Alamo Lift Station proposed site located in the Alamo area, near the proposed site where the auditorium and performing arts is going to go in. The school district is providing an analysis of how much sewer will be dumped into that lift station. It's only about ten percent effect of the lift station due to the assessment done and it's in terrible shape. Their numbers are about 400,000 but that doesn't mean that there is a generator, doesn't have other capacity improvements, the ten percent doesn't really affect

us. We have a problem with that lift station, if they should go in there, their impact would be limited. We will address it and is probably, going to go in there and it would be not wise for us to have that going in there and then our lift station fail. I need to try to stay on top of as it is a relatively large development by the school district and it is going to have a long term impact because if it fails, everything shuts down and affecting the whole community. Ninety percent of that lift station serves that neighborhood. Regarding to Water Plant 1, in early 2016, the City authorized prior engineer to close out three basins. Water Plant 2 is almost online and you've seen some of the photos and will be online approximately in August or September, not November 1st, it's getting closer to have that plant operational. The capacity that plant generates and the capacity the water plant generates; we still do not have enough capacity based on the number of accounts. We know we have approximately 24,500 residents based on residential and commercial accounts. We had TCEQ look at apartment units and at mobile homes and based on those meter accounts and unit counts our population is much greater. Once the requested study is done we will need more capacity. Water Plant 1 should have never been taken out of service. We are having to spend money on the basins. The population has not changed much as the meter counts have only gone up a bit, for the most part, they have been holding like that for a very long time. So, if I recall, it is called a CTScan, which is a requested analysis of Water Plant 1. We have not for two reasons, one, the engineer at the time recommended changes under emergency not requiring TCEQ or didn't obtain TCEQ approval, and then, when we did make changes, obtained TCEQ approval. At that time, the elected body was advised, by consulting engineers, to do certain action that probably negatively impacted us, then TCEQ had an oversight when they reviewed those plans. They caught it and we need to address it. We will have to spend about \$400,000.00 in construction and about \$100,000.00 in engineering design for the plant and the basins to be restored. It's still cheaper than half a million dollars and is still cheaper than trying to increase Water Plant 1 and will hold us steady. We've been looking at the population counts and the \$7.4 million you are looking at will affect our budget. I just mentioned this is a shortfall based on the property valuations to meet this deadline and we know that we've had this discussion in two years and so forth. We started part of this budget process very early so that I can get an idea of how we want to address this, if we want to address this. It's a decision that we are going to need to make, probably in the next thirty days. It will tell me exactly how to proceed, whether we go with the Texas Water Development Board Funds and try to get loan forgiveness or, as you might recall, we had a discussion about possibly reallocating the water and sewer to a different entity shifting that burden, you'll have to get with me privately. But, that means that you, through the open market, because if you take those funds from the Water Development Board, the City may need to comply with auditing requirements. We just finished an audit with HUD, taking us seven months to resolve from \$1.3 million to zero dollars. These audits are very serious and time consuming and we need more staff to keep up with the project management as they become very critical. It's not that we don't do a good job managing it, it's the audits years later coming back, records management, seeing everything and tracking every one of those financial analysis, and the work orders. In reference to the \$7.4 million there is a PowerPoint presentation hand out. We have been looking at TIRZ money and we can do certain improvements to commercial streets with TIRZ funds. TIRZ funds were probably less than two years from reaching its peak and we are going to have these extra funds. Cannot use them in residential streets and most of the streets belong to TXDOT. We might look at the Industrial Parkway and discuss when we work on plans to improve our roadways. What do we do for our residential streets? That is a concern to all of us. The water and sewer infrastructure is too much to be dealing with all at one time. The roadways, because of their dilapidated condition are bad for passenger vehicles, large vehicles, for our fire trucks, for our police cars, it does not help none of our vehicles. The suspensions are all out of whack for a lot of reasons and our firetrucks cannot handle these roadways. I am proposing that you include \$1 million on top of the \$7.4 million, the numbers run about \$8.5 million for very specific roadway improvements for residential streets. How do we pay for it? Rather than raise taxes on the \$1 million, we can do what other cities have done and the City of Harlingen has done it about eighteen months now. They impose a base fee for residential and a slightly higher base fee on commercial. You get these funds, they cannot be used on water, sewer or storm sewer. You use it only for curb gutter and roadways asphalt. You get about \$1 million and you pick the roads and we do overlays. Rather than do the typical two-inch overlay, do a minimum three inch, optimal maybe three and a half. The life of that roadway goes from five to seven, probably seven to eight years. You get a

longer life out of that roadway. We won't fix every pond, water ponds, and roadways. Roadways that we have never done in the past, like Rio Grande Street off of McCullough area and we've got more than that one. We've got to get ahead and start making repairs to these roadways, so rather than, raising taxes, you are taking debt and you are going to be paying it off of these fees. It's still a user fee, we collect user fees right now for storm water and there is a PowerPoint page on that. We are used to tracking funds and we do that for TCEQ compliance. You approved a task force fee every year that is about \$11,000.00 a year. We have Storm Water part of our Code Enforcement, we do that at every construction site whether it is school district, any development like Liberty Estates, like Broadway. Every development has storm water and those fees help offset and it also helps us when we clean out the ditches and whenever we have hurricane season, we stop what we are doing and we start cleaning all of draining ditches around town. Some of the channels, some of the drainage district channels because it serves our best interests of protecting our community. That costs us when we have to do extra holes, when we get the tires, the mattresses, there are fees associated and that is how we pay for those services. It's the same monies that we apply when we work on roadways, it gets lumped into a certain because there is another fee for that. All of those funds are accounted for.

On the next sheet you are going to see \$6.4 million, we listed some other lift stations. The sheet after that is \$13.6 million, we looked at water lines along Business 77 and know we have aging infrastructure. The whole point for you is that I am interested in the \$7.4 million, these others are just long term, somehow we are going to have to address them someday, if not, pay for it through a bond through some developments or redevelopment on some areas. That's why we hold people accountable. Make sure that infrastructure works, if not replace it. We do it through developments. You'll see the General Fund page relating to the property tax rate, if we leave at 72.8 cents it's a shortfall \$1.681 million. Right side, you'll see a three cent increase, net is 75.8125 and that gives a shortfall of \$1.5 million, not much savings between the two. Again, very early, don't get too concerned until we get those appraisals from the district and we'll know what they look like and those numbers will fluctuate. But, I am saying that if we had to do it today, that's what it is and then we would be discussing what services we would cut back or what personnel we would cut back. If you opt not to do any increase and this is what you had, we would have to start making decisions and having those discussions. Page three, Storm Water Fee, collected on commercial accounts on a base is \$2.75 and residential accounts \$1.50, shows revenue generated monthly and annually and is spent. We also use other for hazard paying fees. In the grand \$138,000.00 when you serve, say a \$25,000.00 employee, with benefits, vacation, it trickles away and we've had as many as two storm water folks, Jacinto Hinojosa and Robert Valenzuela, right now, we've operating in about one. We've been trying to let that build up but that is how it has operated historically and that is where it comes from. On page four, Water Production, today, based on what we have, there is a shortfall of \$880,000.00, why? We are now about to get Water Plant 2 online, have electricity, have manpower and chemicals. We've been paying debt on the water plant which is well, the brain of the body that wasn't working, the brain is being fixed. The membrane filtration system we are very near completion, the Scada System will be going online pretty soon. It's a great looking facility, but there is a cost associated.

Back in 2004, Victor Trevino was the City Manager, went to Neil Bank, got a loan, got the water plant built. Sometime in 2008 the Plant went online, we used the same personnel from Plant 1 to Plant 2; six operators, one supervisor, seven people went from one plant to two plants, two different types of technology, fell behind maintenance and the rest is history reaching a settlement agreement. The membrane filtration system has its own backwash system; it's got its own way of managing those operations. It is much more high tech water plant, again, hands-on but it's a different process, different chemicals, trying to get people to shift gears any day from one plant to another is just not very common, they are not dedicated and they are operating two engines at one time. As part of your settlements with EVOCA agreement we need to maintain it at a certain standard or we are non-compliant with the agreement. There are industry standards for these kind of things. We really need a set of employees, right now, we've already hired two, we still need four. We put four in, a supervisor, we lost an engineer. We are going to reassign some duties, again, this is very early on, I need you to understand, today, if Water Plant 2 was online, based on what we see, that's a shortfall. We did pull the old records and

we've had a conversation about water rates. We are not proposing to do a water rate study. Belen or Fernando have reached out to someone that's got us the documents, we've seen what the water rate study was in 2011. We've always indicated the water plant would be online no later than November 1 as it was the deadline. We've also reached out to TCEQ and Adan Gonzales has spoken to the Harlingen Office to come visit it. We are compliant with our permits, water quality standards, we've tested the membranes, nothing is leaking anymore. We've done electrical work, have an onsite generator being relocated. We're repurposing an onsite generator that fits manage the components we need without spending \$3 to \$400,000.00 per generator. We still have some monies in unassigned funds, water/sewer revenue. We've been waiting until we had that plant online to make those payments so that we didn't take on any debt. Once we paid everything, you may have some funds left, I just don't know yet exactly until we are done. We utilize some funds to pay certain improvements very specific to Water Plant 2 first, Water Plant 1 secondary, but only in the water and sewer. We don't use those funds on the General Fund area. When we sold the land to AEP for that \$1.6 million went to the General Fund. We used some of that on certain areas but remember we have an obligation with AEP once they complete the roadway, water and sewer lines we have a payback provision; \$300,000.00 initial payment of \$2.174 million total that's a liability to the City and we've been monitoring but I needed to know, that is why we are on page four.

Page five is the Street Fund which we don't have. Proposing we do something similar to what Harlingen is doing. Fernando has worked at other places and we could pull what other places have done. This is the most recent ordinance that I've seen. They were getting the same things, how do we fix some of this? They even posed these based fees by ordinance not a tax increase and this is how they paid for it. if you are proposing something like that, I think that there will be a likelihood that residents would be ok with the fee if they are getting something that they can see and drive on. I need feedback somewhere along the way and Budget Workshop 2 was moved to July 28 because if we are going to do an increase in taxes, if we need to, and I've had Mr. Sossi look at Senate Bill 2, the highest we can go without having voter action is three and a half cents. Unless Senate Bill 2 says you have a pandemic and we have a pandemic, technically, the three and a half cents are no longer applicable and we can go to eight. But now, we have the governor signed that law last year saying, wait a minute, that's not what I meant, it's not what the law says. TML is now saying, this is how we interpret the law but check with your city attorney, at the end of the day he has to give you advice not TML. TML just makes recommendations based on the laws. If we get challenged by the governor or his attorney general, it's going to be for that reason because they can. We are in a predicament now, if we issue debt for the \$7.4 million and it exceeds that, it doesn't count against us. The three and a half cents goes against us for operations and manpower. We need to discuss how we are going to do it if we are going to do that. You are going to have to look at some debt, figure out how to tackle the SSOI and the rest of infrastructure which is at risk. We have to do the roadways but need to get an idea of what you, the elected bodies, are thinking so I can start formulating a plan. City Attorney Mark Sossi informs me I need so many days if we are going to past the three and a half cents so I can give notice, I can publish, and should it get challenged I need to put it in the ballot in November which taking to the voters probably wouldn't pass. Either we are allowed to do because of state law allows it or we are going to have to cut back on certain services.

Page six, I rounded it off from \$8.4 million to \$8.5 million. Lift stations, Water Plant 1 and seven Lift Stations, Water Plant 1 and the road.

Page seven, Water Rates, residential base rate. We charge water, sewer, and garbage.

Page eight, Commercial Rates, information was provided earlier.

Page nine, Multi-Family Units, information was provided earlier.

Page ten, Water Rate Study, Harlingen did a water rate study in 2014. East Rio Hondo has a higher water bill, it's both water and sewer, \$70.00 a month and that is based on 2,000 gallons. San Benito, 2,000 gallons a month, water and sewer it's \$49.68 base rate. Last year we took on the debt for the

\$1.5 million we had some HUD participation and we had some EDC participation, without your authorization I can't approach those boards. We didn't look at HUD because after we were in the current audit, we decided to leave that alone. That decision just came out recently. The EDC, we've not gone to them but we don't know what their plan is, so we don't know if they would participate in any water or sewer improvements. They could, we've not asked, you've not directed me. I am not authorized so I didn't run those kind of numbers. I did have a conversation with our financial advisor should we decide to pursue this, he says, how are you going to secure it? I said, I propose and will propose to the city commission we do a tax increase and be backed up by the water and sewer rates as not everybody pays taxes then we would have to adjust the water and sewer rate. He said, EDC, I said, no, not until we get authorization and until the board agrees. So, certainly not any HUD funds. It just became an obstacle for us, we are going to run those numbers and I'll e-mail them to you. On July 28th, if it looks like we need to meet prior to that, or have it at a Regular Meeting we will, just need to decide how we are going to move forward. I've provided you the summary for every fund. It's yours to read, reach out to me or to the Finance Team, Belen or Fernando. The department directors have been meeting with her. We talked briefly about staffing; we need four, maybe five people for Water Plant 2. Police Department; we are looking at one full-time Dispatcher being we have one dispatcher at any given time. If the police officers are out, they're only listening to the police on the radio. We have two consoles, if we get a lot of regular ten-digit phone calling in and we don't answer but the 911 phone is going off, it's probably routine. Officer is priority one, the 911 phone is priority number two, and the last priority is the regular phone. If it's an emergency, don't call on the regular phone, dial 911. If the officer is in jeopardy, he takes priority. You only have one person, we don't need two people all the time but we do probably need a second person. We are a holding facility, we are not a recognized jail. We don't hire our dispatchers or telecommunications operators to be jailers. You have cameras that they look at people that are in custody or to see if there are movements. But that is not their primary function. Their primary function is for communication. That extra set of eyes help us especially Friday and Saturday nights. Chief Watkins would like to make a captain position, an assistant chief position, he needs some and we are having discussion whether to move somebody up, test him and then bring one more firefighter? We are talking about requests being made, at the end of the day you decide the tax rate to be, what level of funding and then we are going to have to make decisions, do we cut back personnel and where do we cut them up. The vacancies, we've only filled one because we've been holding firm. I have seven people out on COVID-19. I saw larger cities close to 200 employees and like 80 of them are out, the larger the organization, more employees. In the last five business days, I've had them dropping left and right, employees are saying my mother, my dad and I'm thinking you are not even practicing social distancing in your own home with your own parents. These are grown adults, daycare shut down, rather than find another place, this new ten-day, fourteen-day quarantine and I get paid two thirds my salary, I have employees taking it. It is federally protected, the Human Resources staff is dealing with it. The delivery of services is being affected due to I've got people falling out left and right from different departments. If that was to occur in my police or my fire, it's going to really affect us. We have some that are essential that are on that list that aren't flipping the two-thirds, but we have the other part of the list so, I take that back, I think that I have close to ten people. There's about six, non-essentials getting two-third salary and I discussed this with my directors, I go, but they didn't even try to find, I know, I get it. The non-essentials are because they're police or fire some are getting covered otherwise, their regular sick time, or other FMLA. We are dealing with those, we are losing staff, some have come, some have left and come back, some are repeaters, so, it's ongoing. Those affect our delivery of services and we are starting to feel those effects. Our department directors are having to get other staff to kind of carry the load. We are not the only city that is going through this budget crisis, we are all facing the same thing. There is so much uncertainty as to how the budget is going to look. We haven't suffered like our neighboring cities have because we are a suburban community, we are primarily residential, the moms and pops have certainly been but the big boxes, Wal-Mart, HEB, Dollar General, Family Dollar those have been keeping us above on sales tax. Even water services, we saw a little bit of an uptake but for seven thousand eight-hundred accounts, we had less than fifty accounts that we were having difficulty collecting and the majority, another fifty worked with us. Those fifty were ignoring us, but most are maintaining and never contacted us. It's been very minimal when it comes to those types of collections. Property taxes at the end of the year, I don't know, if we were in the ninety-seven

percentile, I don't know if that is going to be the collection rate this year. It's just going to be hard to say as we get closer to the end of the year and people will have to pay those taxes. At this point, I am going to stop and give you an opportunity to ask me any questions about what we got and again, the directors are here if you want to ask them anything specific, they can come up and answer any questions. Commissioner Rene Villafranco questioned how many positions were frozen last year? Yolanda Villafranca, HR Director, advised we had four that were not filled in. City Manager Manuel De La Rosa advised, we had vacancies that people left that we hadn't completely filled back. Yolanda Villafranca, HR Director advised, about ten, usually from public works, it's the water, wastewater operators, parks. City Manager Manuel De La Rosa advised, and every one of those left us for better wages, either HEB or Wal-Mart generally, that is what usually pop up. We talked about trying to change our starting salary to \$10.00 from is \$8.80 because we are competing against those other less stress, more pay and we are losing them to those as soon as there is an opening and we spend so much time training them. For about a dollar or dollar and a half, we are talking about \$2 to \$3,000.00, we are losing them and it's starting over again. The laws, that institutional knowledge and not everybody is capable of working in the environments that we do. You know, the heat, the cold, the wet, all of those kind of things and those are the positions that we have the highest turnover. Commissioner Rene Villafranco asked, you have a total of more or less of fourteen vacant positions? City Manager Manuel De La Rosa stated, we fill them, they leave and its rotation, which is why we do so well every year in our budget. We maintain our overtime and we try to fill them. We try to find candidates; we lose fifty percent of our candidate pool just doing the drug backgrounds. I mean our candidates pool starts and then we had one in planning that worked five days and then he quit on us. Commissioner Rene Villafranco stated, second thing that I want to mention is when or how can we meet with EDC to look at their budget, what they have available. City Manager Manuel De La Rosa advised, I need a directive, I cannot go to them without a directive. Commissioner Rene Villafranco directed to City Manager Manuel De La Rosa, I want you to meet with EDC, see what they have available, how can they help us and how can we work together. City Manager Manuel De La Rosa advised, you can vote on it but if there is a consensus that gives me an idea that in all likelihood, but if I go there and they say, no, we only heard from one commissioner, the others are not going to support it. I'm wasting their time if it's not something that is not going to be of fruition. I need to make sure that the majority have a consensus that is probably a good idea, at least to get the numbers but if we start down that path and they say no, I'm in limbo. Time will run out quick. We can give them numbers fairly quickly and we can tell how much and find out their participation. But it's going to be what we want, all this stuff goes to the city. The \$7.4 million doesn't help you, me or anybody individually, it helps the city, lift stations and water plants. Commissioner Rene Villafranco stated, it entices their business try and coming to help them out. City Manager Manuel De La Rosa, advised, the roadway I believe would be questionable in their expense because remember, the EDC was formed to handle water and sewer projects not roadways. You would have to get AG Opinion and we've gone down this trail before. Commissioner Rene Villafranco advised I don't know how the rest of the commission feels but that's mine. City Manager Manuel De La Rosa, asked, for some participation, right? Commissioner Rene Villafranco, stated, yes, look at the numbers at least. City Manager Manuel De La Rosa, asked, so we say maybe a third, fifty percent? How much participation? Because, Commissioner, I think for something like this, lift station, you can go beyond the twenty years up to thirty years, certainly not forty. You know, twenty-five to thirty years on the lift stations is probably good. I think twenty years is just a lot of debt. I am trying to figure it quickly, trying to stretch it out to something for the life of the equipment. Maintenance should be pumps; capacity, generators, those things if you maintain them properly should last you twenty-five years. Thirty years you are starting to meet the shelf life of that item. Mayor, they are like airplanes, you maintain them and they'll fly a long time. You have to do maintenance and that's probably one of the things that we historically, and it's not just San Benito, but it's having effective maintenance, long-term maintenance programs. Got to grease them, got to clean them all, sewer gases are very acidic when they come to that equipment. When I walked into that Alamo lift station, the cover that is over the wet well, it's so thin, you've got to be careful not to step on it because if not your foot will go through and you'll slice yourself up, it's all sorts of problems. It's just aging and that means, if that is just the cover you may want to turn to the pumps and everything down inside the well, but I need direction that is why we started very early. Belen Pena, Finance Director, requested permission to speak advising the City Commission to turn to page fifty-nine of EDC, under

Other Finances and Uses, where it says Police Buildings, Series 2000, the fourth column \$137,850.00 is the payment they made this year. They finished paying that back this current year, for 2020-2021 budget they would have those funds available to help the City. [City Manager Manuel De La Rosa](#), asked, are you still being invited to attend their meetings and are you looking at their budgets? [Belen Pena, Finance Director](#), advised, no, they don't want too many people. [City Manager Manuel De La Rosa](#) stated, that's what she was told and that is why she didn't attend, so I didn't know if it changed. It has been months since I've asked her. [Commissioner Rene Villafranco](#) stated, everything comes through her regardless. [City Manager Manuel De La Rosa](#) stated, we just plug the number in. Commissioners, when it comes to a lot of this stuff, we plug number but we don't analyze, for instance, determining on how they spend it, so. Now that we have it and I forgot she was managing it for them, it'll speed it up because if we can find where it is then we'll have to see what they are proposing and we'll be able to give you an update on July 7th. I just need to know where we are at and what it looks like. And if they've paid off debt, I mean, we are looking at a refinancing. I had a conversation with Don, it comes up in August or October, I think he wanted to start in August and refinance in October, it's not a lot of money but there's no penalties and it gives us a little bit of cushion to help us pay. So, we were already looking at that refinance. I've had that conversation with him, I've had two conversations with him in the last two weeks. [Commissioner Rene Villafranco](#), asked what debt the EDC finished paying. [Belen Pena, Finance Director](#) advised, the Police Department Building, Series 2000, and they finished paying this year. It was a twenty-year loan. [Commissioner Rene Villafranco](#) stated, I want to sit down with EDC. [City Manager Manuel De La Rosa](#) advised, they made the payment this last year it will offset our payment, we'll just pay the interest and not pay anything on the principal for a year for once so that way it doesn't create a burden on them that is workable. Either meet with me individually and tell me what you think and if there is a consensus it is worth pursuing. I was trying to see what it was going to look like for us. The numbers were a little bit startling, just because there's been some protests and the \$7.4 million concerns me, how you want to handle that. We don't have to do, nobody's told us about Water Plant 1 right now. We have informed you water plant had inspections and there have been questions about it. We have another inspection scheduled for October of this year. Eventually someone is going to say where are you with that? They've already made, Fred, one or two requests and we keep delaying. We asked them to delay any action on water plant one until we get water plant two online, that is our purpose. However, as soon as that plant goes online, they are going to go back to Water Plant 1, reason we are preparing ourselves. Any other questions or concerns please do not hesitate coming to see us, call us, we'll make ourselves available but these are the summaries. We provided you these sheets because we want to see what it is and this is what it looks like today. What is it going to look like in the future? Mayor, Commissioners, if we needed to start trimming back, those are discussions that we really don't want to have but then we start looking at levels of services, when in conversation with Library Director Gerardo Salazar, I said do we need part-timers at the Library. If we cut back on personnel, we lose the state accreditation at the library. Maybe we'll cut back hours but then we'll lose the accreditation because we are not spending per capita and formula to get those accreditations. Looking at Planning, we are starting to get more developments, if I look at Police, we would like to get more officers, in conversation I had with the chief, you need another pair of eyes when somebody is in custody. I understand from chief that police dispatchers are requesting an increase of base salary and a letter is coming. The water and sewer people are getting certifications. But not everyone that has a certification gets a certification pay. We don't pay certification pay to animal control and municipal court. They get a salary, everybody is entitled to be compensated for that but have not done it. If we did it only one person would qualify but they do want the base pay raised and if we do that they would probably want adjustments, the ones that have been there, it creates a domino effect. Everybody's got a wish list and we will try to vet it as much as possible for you to make a decision based on what direction you give us. This is very early on, we wanted to get this to you, now we've got some direction and will keep looking at the appraisals. If you have any specific questions either from me, Finance or even the department directors as to why, please, I know that Public Works, would like a street sweeper as the street sweeper purchased years ago was a lemon then and is a lime today. It's never worked well, it breaks more often than not. Public Works needs an excavator, we have the funds to pay it and looking at \$50,000.00 but the replacement is a couple of hundred-thousand. We have aging equipment, the Police Chief says the police vehicles have suspension problems. [Assistant City](#)

Manager/Interim Police Chief Fred Bell added, and internal engine parts fail. City Manager Manuel De La Rosa, advised, the Fire Chief mentioned issues on the new truck purchased in 2016, it has brake problems because it's a very large vehicle and the brake system doesn't work as well. We can't take it in some roads as it will damage the suspension in that expensive truck. If we take it and the suspension when we do take it jars a lot of things loose. It's too big of a truck for our streets. Mayor Benjamin Gomez, asked, who does the maintenance for the fire trucks for the fire department? City Manager Manuel De La Rosa requested for Fire Captain Mancillas to address the question. Fire Captain Mancillas stated, the main people use is City Market out of Pharr, as they are the only ones locally, they do a lot of the heavy work and Family Services, they specialize in fire trucks. We sometimes take the trucks over and sometimes they send the guys over depending on the type of job. City Manager Manuel De La Rosa, advised, the warranty just ended on that new fire rescue truck about a year ago. Fire Captain Mancillas stated the only thing that was warrantied was the steel mount and engine. City Manager Manuel De La Rosa requested for Fire Captain Mancillas to explain the hydraulic leaks and brakes. Fire Captain Mancillas stated, the problem, as the city manager explained, the roads are too rough and it's too heavy and brakes break every three-thousand miles because there is too much pressure on the brake drums. We've had three sets of broken brake drums. Mayor Benjamin Gomez questioned if the brakes break just by driving in a back road. Fire Chief Danny Watkins advised, well the issue with the truck first of all, when we purchased it, it was a demo, with a lot of miles on it. The issue with it is that the chassis is not designed to carry that weight. It's got a lot of equipment on it that's why we are having issues with it when driving the road because of excessive weight is cracking those brake panels. We had a brake job done in the last about six months and it cost about \$3,500.00 per brake job. It takes a lot of beating on the road, it's just a weight issue and it is going to continue because we don't have no choices to go down a road that has a lot of potholes. It is being repaired and we are looking at some options to get quotes on new equipment and will discussed later in the budget process. That is why we are having a lot of problems with that particular piece of equipment, it's a weight issue. Mayor Benjamin Gomez advised maybe the Fire Department can look into someone else to do the maintenance instead of taking the truck to Pharr. Fire Chief Danny Watkins advised we have people in San Benito that can do work in diesel engines but when you look at buying fire parts, the fire aspect of it, they don't have that certification, that is why we are taking it to City Market in Pharr because they are, they strictly work on fire trucks. Mayor Benjamin Gomez advised he knows of someone in San Benito certified in all fire trucks being he does all the airports in the Valley, maybe the Fire Department might want to speak to him. Fire Chief Danny Watkins requested be provided his name to contact him, as he prefers using someone in the San Benito area if they are certified to do that kind of work on our equipment. Commissioner Antonio Gonzales recommended to put shade where the Fire trucks and equipment is parked as one of the trucks doesn't look red anymore, maybe a shed. Fire Chief Danny Watkins stated, he is looking into that and his department has some there at the station, but is looking at obtaining a quote to figure out how to take care of the equipment and be cost effective. Like Mr. De La Rosa said something about us looking at a vacant storage building to store. Like I said, we are looking at expensive pieces of equipment but we are going to need storage as we don't want to go through these problems again. City Manager Manuel De La Rosa addressed the City Commission advising we are recommending we trade this vehicle in to receive a decent value out of it and then buy a more commercial type fire truck that is suited for us and not take a hit on the loss. We will make the last payment this year. Belen Pena, Finance Director mentioned next year. City Manager Manuel De La Rosa, advised, we just made the fourth, the fifth annual will be next year and then the truck is paid off and then we were going to start looking at replacing the ladder truck and most likely wouldn't go with the ladder but with a quint. That truck was very expensive, there are more commercial type vehicles that are more standardize that you can buy that are more affordable or in line. The equipment that we have can be moved from one vehicle to another, the ladder truck can be set on the ladder truck and it is starting to age and it can become the back up. Commissioner, we looked at the Neuman Building, we are thinking of moving some of the equipment from the Fire Department to the Neuman Building. I've had conversations with Mr. Ramon Rodriguez about installing cameras and an alarm system, because the Neuman Building after the \$50,000.00 that the commission approved last year, is a beautiful building. Mayor Benjamin Gomez, stated, yes, it is. City Manager Manuel De La Rosa, stated, we can keep some things inside. Mayor Benjamin Gomez, stated, if we get some equipment we need

to make sure that the hydraulics or any kind of fluids wouldn't leak on the concrete because it is going to stain it bad. **City Manager Manuel De La Rosa** agreed and mentioned you've spent a lot of money in that building so we want to protect it and protect those assets but at the same time it's so far away from everybody that we would provide security, lighting, and alarms. There are some other buildings out there that don't have a foundation, we would like to take that down and take it over to Fire Station 1 at South Park over there and use that as part of the skeleton to build more buildings out there. These are very specific pieces of equipment in vehicles that we operate and we want to maintain. We've been looking at those and we've had a lot of those discussions lately. But again, the truck warps there is something wrong and as soon as it breaks we get it repaired so we are delivering our services. How do we get out of something that looks like it operates like the street sweeper, it's a lemon. Again, we need to keep moving forward and get away from customs and we can buy a Chevrolet without making a Cadillac and get the job done. **Commissioner Antonio Gonzales** questioned about the status of the police department vehicles. **Assistant City Manager/Interim Police Chief Fred Bell**, advised, Commissioner, we are starting to see an increase, as it was commented earlier, we're getting to the point where it is no longer a routine oil changes, tires, stuff like that, alternators, batteries; we are now starting to spend more money on actual internal engine repairs. Additionally, I had a picture of one of our patrol cars sitting in the parking lot, I think it was at HEB because the suspension failed. We are having suspension repairs. The concern that I have and I have been working with Assistant Chief Perea, he has been spearheading monitoring. We've got part of our fleet that is really old, the rest of the fleet is old. These cars are on the road on an excess sometimes of twenty-four hours a day. We are starting to see those expenses slowly rise. The concern we have is if we are going to continue to maintain, take for example the Crown Victoria, are these the 2011, the 2011's, if we are going to invest the money to build suspensions and rebuild the engines, we can but then we'll have to start replacing the interior, the upholstery. Because, we are talking, that is a lot of rear-ends sitting on those seats. So, if we are going to invest the money to rebuild it as the city manager is saying, at some point in time we pull the trigger and say, ok, at what point do we start looking at slowly replacing. And I know Assistant Chief Perea has been working trying to come up with some options to slowly implement some type of replacement plan because that is a concern. **Commissioner Antonio Gonzales** mentioned he saw the unit down at HEB and there is another police vehicle in the garage sitting on the back. **Assistant City Manager/Interim Police Chief Fred Bell** agreed, yes and it is not the first one. **Commissioner Antonio Gonzales**, stated, there is another one. **Assistant City Manager/Interim Police Chief Fred Bell** advised on our storage area we had twenty-four patrol cars, we are down to twenty-two because two of them were totaled beyond and obviously you can drive by and you can see them. These are your emergency responders and we do our best to expect our staff to take care of them as with all of our departments. More often than not they do, sometimes things happen and we end up, you know, we get a wrecked car, but the wear and tear on them. **Mayor Benjamin Gomez** stated, Commissioner Gonzales said that there is one sitting in the shop and I think that it has been sitting there for a while. So, what is their turn around rate? **Assistant City Manager/Interim Police Chief Fred Bell**, stated, it depends, sometimes, unfortunately we would have a serious where we would have several of our cars that are having to cycle in and something I call and I say, Chief Perea, are you working today? And he is actually turned into the taxi because they are ferrying cars, getting one in and then getting another one in the cue so we kind of had to spread it among some of our local shops. **Mayor Benjamin Gomez**, asked, do they check the oil daily and the water, the officer getting in the car. **Assistant City Manager/Interim Police Chief Fred Bell**, advised, yes, they are required to do it daily and we keep logs on them. Fortunately, we haven't had issues of the fluids running out and burning out the engines, it's the mileage. The wear and tear, in addition to the driving miles, you have a lot of hours on these engines. Just like a personal vehicle, if you sit on the parking lot you are not racking the miles but you are adding on hours. That's what we are running into, is the high hours, the high mileage. **Commissioner Antonio Gonzales**, stated, that is one thing that we have to look to because we are going to need some new ones pretty soon. **Assistant City Manager/Interim Police Chief Fred Bell** stated, yes, sir, Assistant Chief Perea he has kind of taken the lead as far as running, we are looking, we are trying to present realistic options, you know, in a perfect world we would click our heels and we'll have a brand new fleet, but we know that is not realistic and we are not even come in before this commission do that. But, we are trying to say, ok, what is the bear minimum that we need to start to look at. You know, what type of replacement plan can we put and you

know, realistically, I've had discussion with Chief Watkins, I've had discussion with Adan Gonzales, Public Works Director, unfortunately, we have not had as a city, we have not had a replacement plan. We are trying to look with each of the departments, you know, right now, as the chief, I am looking at the concerns with any type of city equipment there is potential exposure to liability. We have to try to figure out how we put a plan together that has minimal impact on the budget and all departments have to come to city manager and say here's our wish list but we are recognizing the fact that we have to be fiscally responsible and say ok, what kind of plan can we put. So, we are actually looking at something over the course of the next three to five years to slowly start cycling out and replacing some of the older cars. **Mayor Benjamin Gomez**, questioned if forfeiture monies could be used for vehicles. **Assistant City Manager/Interim Police Chief Fred Bell**, advised, we cannot use it to buy a new fleet if it is above our current expenses. That is one thing, can I use those funds? Well, we have some latitude but we have to, if it is already a pre-budgeted item, then we can't. Equipment, certain pieces of equipment, yes, but you know, going and saying I want to expense the entire asset forfeiture account, I am only going to get about four cars. As you all approved, last year, you know, we purchased other equipment; cameras and stuff like that. It is my recommendation that we kind of use those funds pretty much for that internal equipment. Because, brand new patrol vehicle, you are looking at an excess of about \$60,000.00. So, if we wanted to try and request authorization and get approval from the commission and even the feds and state. **Assistant City Manager Fred Bell** advised, the unit cameras are paid for, I am happy to say that because you all approved it. Last year you approved that expense. As we start looking for and bring forth to you all a replacement proposal, any of that equipment that was brand new, we would move over. Any equipment that we can salvage that still has life in it, we definitely would consider as part of our proposal to move that equipment over. Chief Perea has been working at different options for assessing our current equipment. I think the year before you approved purchase of new records management and tablets, so, we have that equipment. We have internal, we've got some new equipment. We have some good equipment; it's just the shell now is what the concern is. **Commissioner Antonio Gonzales** questioned if police department has sought assistance from the Lower Rio Grande Development Council for a police vehicle. **Assistant City Manager Fred Bell** advised he will reach out to them. **Assistant City Manager Fred Bell**, stated, if they'll give me a new car we will take it. We did request a new vehicle through Stone Garden because the one that we got from that grant program previously, we met the criteria, so, therefore, that vehicle is now the property of the city. We requested a new one for this next fiscal year, we got denied. We put the request in, the challenges with the conditions are the criteria, you know, follow thru, we can look into. **City Manager Manuel De La Rosa**, advised, part of the police vehicles is we are looking for is possibly leasing rather than purchasing. We have a good asset management on our vehicles now city wide. The majority now have GPS control or their tablets. Fernando has been working on getting the two different Verizon contracts that we had under one. These vehicles, we just can't test driving behavior, sharp turns, fast, but we know where most of the vehicles are, some of the fire trucks we don't track but the employees, we can track them. That is why when we get complaints, we can tell if they were there or not. Sometimes, we just need to view identification and we can go look for it.

ITEM 5. ADJOURNMENT.

Mayor Benjamin Gomez requested a motion to adjourn. **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 Antonio Gonzales** and **Commissioner Rene Villafranco**. Motion carried to **ADJOURN AT 6:43 P.M.**

CITY OF SAN BENITO

BENJAMIN "BEN" GOMEZ
MAYOR

ATTEST:

RUTH MCGINNIS
CITY SECRETARY