

Minutes
Special Council Meeting
September 25, 2018

On this 25th day of September, 2018, at 6:00 p.m., the City Council of the City of Devine convened in a Special Meeting; the same being opened to the public at their regular meeting place thereof, at City Hall, 303 S. Teel Drive, Devine, Texas. Notice of said Meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Mayor William L. Herring
Alderman Steve A. Lopez
Alderman David Espinosa
Alderman Cory Thompson
Alderwoman Jennifer Schott

Absent being Alderman David Valdez; thus, constituting a quorum.

Personnel present: Dora V. Rodriguez, Interim City Administrator/City Secretary; Denise Duffy, City Accountant; Mary Badillo, City Financial Advisor; Tom Cate, City Attorney; Ismael Carrillo, Director of Public Works; Superintendent of Public Works, Rob Flores; and Ofilia Pedroza, UB Clerk.

Others present: Marly Davis, Devine News; Devin Holland, HomeLUXE Realty; Alberto Vasquez, Debbie Randall, and Richard Malone of Devine, Texas.

Mayor Herring, presiding, called the meeting to order.

The first order of business was to discuss and consider Approval of Minutes for: Regular Council Meeting Minutes, August 21, 2018; and Special Council Meeting Minutes, August 28, 2018.

Council reviewed minutes.

Motion by Alderman Espinosa, seconded by Alderman Lopez to approve minutes for Regular Council Meeting Minutes, August 21, 2018; and Special Council Meeting Minutes, August 28, 2018.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The second order of business was to discuss and consider Annual Report and PILOT Check from the Devine Housing Authority.

Special Council Meeting
September 25, 2018
Page 2

Council reviewed Annual Report letter from the Housing Authority. The City received a check in the amount of \$3,860 which represents the Payment in Lieu of Taxes (PILOT) for the Fiscal Year ending September 30, 2017.

Motion by Alderman Espinosa, seconded by Alderman Thompson to accept and approve the Annual Report and PILOT Check from the Devine Housing Authority..

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The third order of business was to consider Amending Current Budget for Fiscal Year 2017-2018.

City Financial Advisor Mary Badillo went over the Proposed Budget Amendments with Council. Some of the highlights that she covered are as follows:

Page 1 – General Fund. In the General Fund, we had an Operating Surplus of \$23,883.00 prior to a Capital Outlay of \$325,492.00 which brought us down to a deficit of (\$301,609.00). She explained that at the suggestion of our auditors, we had to transfer \$7,656.00 of the HOME Program out of the General Fund because it was skewing the graph that we have at the end of the year. Now, the HOME Program has its own fund, but this gave us a total Deficit of (\$309,265.00).

City Financial Advisor, Mary Badillo then provided Council with an itemized list showing the Total Deficit of (\$309,265.00) in the General Fund. The list showed that the total budget amendments approved by Council totaled to \$593,039.97. This included amendments from the Airport, Parks & Recreation, Street Department and the Golf Course Department. All departments, under the General Fund, helped by cutting back on their budgets to decrease the budget amendments approved by Council, totaling (\$283,774.97); thus giving the General Fund a Total Deficit of \$309,265.00.

Interim City Administrator/City Secretary Dora V. Rodriguez pointed out that she had separated the Golf Course as Devine Golf Association Outstanding versus a New Department under the City, so they could get a clearer picture of the amended costs.

Some discussion was held on street paving. Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that according to City Engineer Raul Garcia there is no sense in breaking up streets due to the asbestos project that we will be doing. Director of Public Works Ismael Carrillo explained that Mr. Garcia has divided the City into three phases, and he is currently working on Phase 1, south of Colonial Parkway. According to Mr. Carrillo, they will only be repairing what they dig up on the streets. Interim City Administrator/City Secretary Dora V. Rodriguez explained that once we are done with all the phases, then Council can look at which streets need to be worked on.

Special Council Meeting
September 25, 2018
Page 3

City Financial Advisor Mary Badillo pointed out that the budget does not include the John Deere buyout. Lengthy discussion was carried on whether we pay it off and leave it in this year's budget or carry it over into next year's budget with a monthly lease. According to Interim City Administrator/City Secretary Dora V. Rodriguez, John Deere is sticking to their lease; it's a 60 month lease that the Golf Course Association just entered into in May of 2018. She stated that all the equipment was new except for the rough mower and they've maintained it three times and they keep giving us a loaner to use because they can't fix it. City Attorney Tom Cate advised that we have to be careful because John Deere can hold on to the property that we don't own.

City Attorney Tom Cate pointed out that another problem is that the City is not the lessee on this lease; the Devine Golf Association is, not us, and they are trying to wind up. He told Council that the initial offer was for \$219,000 and if we buy out the lease by October 1, 2018, they will decrease it by \$3,000 which is not a substantial savings, plus we've already made some payments. Our monthly payment for John Deere is \$4,630. Interim City Administrator/City Secretary explained that they had only put in the 12 months of payments that need to be made for next year's budget.

City Attorney Tom Cate stated that the City is assuming this lease; we are not re-doing it. He explained that if we assume the lease, we assume the terms they originally agreed to. He pointed out that the other issue we need to be concerned about is the Golf Association wanting to wind down. City Attorney Tom Cate commented that we can assume the lease and if they wind down and we continue to make the payments, we might be alright. He stated that to his knowledge in the last 35 years, the City has never defaulted in any payment.

City Attorney Tom Cate informed Council that if we do that, it will continue to be under warranty, and we'll get a loaner every time it breaks down. Council held more discussion on the loaner with Superintendent of Public Works, Rob Flores.

City Financial Advisor Mary Badillo informed Council that we are already in the hole for (\$309,000). If we do pay off the lease this year, the deficit will increase to over \$525,000 for this year. Or, she said we could wait and ask in October, but the payoff amount is going to change. Interim City Administrator/City Secretary Dora V. Rodriguez stated that as long as we have the lease with them and paying on it, John Deere will continue to maintenance it. She told Council that they need to know because if Council wants to do the buy-out, they will need to change the amended budget to be able to do it for this current fiscal year.

Mayor Herring commented that we're leaving it like it is, and we are going to amend the budget with a deficit of (\$309,265).

Interim City Administrator/City Secretary Dora V. Rodriguez explained to Council that Yamaha is working with us to continue their lease. They were able to reduce the fleet of golf carts from 35 golf carts to 20 golf carts. This also reduces the monthly payment from \$2,000+ to \$1,150 per month. This was initially for a 46 month lease which they got in April or May, 2017.

**Special Council Meeting
September 25, 2018
Page 4**

Page 2 – Debt Service Fund. The Total Operating Revenue is proposed at \$124,426, with Expenditures of \$121,680. She explained that \$120,000 of that was the principal that we paid and the remaining amount was interest that we paid on the obligation that we had. This gave us a surplus of \$2,746. She informed Council that according to our auditors, this amount can be transferred out to the Sewer/Water Fund to pay the remaining amount that the Sewer/Water owes on that particular obligation. She told Council that this is where the transfer will go to – the Sewer/Water Fund. By doing this, we break even with the Debt Service.

Page 24 – Sewer/Water Fund. The Total Operating Revenue is \$1,958,063. The proposed budget with amendments for Operating Expenses is \$1,821,517 giving us a surplus of \$136,546. City Financial Advisor Mary Badillo explained to Council that the transfer out that she mentioned earlier in the amount of \$2,746 increases our Surplus to \$139,292. The Other Cash Flows (the debt that we paid and the depreciation of \$166,301 gave us a Net Cash Flow of \$305,593.

Page 31 – Lodging Tax. The proposed budget with amendments Total Operating Revenue is \$10,694, and the Total Operating Expenses is \$9,271. This gives us a surplus of \$1,423.

Page 34 – TCLOSE Fund. The proposed budget with amendments Total Operating Revenue is \$1,271. The Total Operating Expenses is \$2,321 giving us a deficit of (\$50). City Financial Advisor Mary Badillo reminded Council that there are funds that we are holding for TCLOSE. These are not showing in the revenues and expenses but they are on the balance sheets, so there are funds that the Police Department can use which are earmarked just for them.

Page 36 – HOME Program Fund. City Financial Advisor Mary Badillo reminded Council that earlier this year, our auditors recommended that we pull the Home Program out of the General Fund because the graphs were skewed. We created a Home Program Fund, so the money is in this fund. The proposed budget with amendments for Total Operating Revenue is \$0.00. The Operating Expenditures is \$5,735 which gives us a deficit of (\$5,735). A transfer from the General Fund to the Home Program Fund was \$7,656 giving a surplus of \$1,921.

Motion by Alderman Lopez, seconded by Alderwoman Schott to approve the proposed Amended Current Budget for Fiscal Year 2017-2018, with the figures as presented.

Amended Current Budget for FY 2017-2018 attached as Exhibit A.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The fourth order of business was to discuss and consider Adopting Budget for Fiscal Year 2018-2019.

Special Council Meeting
September 25, 2018
Page 5

City Financial Advisor Mary Badillo stated that she, Interim City Administrator/City Secretary Dora V. Rodriguez and City Accountant Denise Duffy worked in conjunction with all the department heads to see what they really wanted, and then they went back and were able to revise some things. Ms. Badillo went over the Budget Requests for Fiscal Year 2018-2019 with Council and covered the following highlights:

Page 1 – General Fund. The Total Operating Revenues being requested is \$3,604,931. The Total Operating Expenditures we are requesting is \$3,580,012 giving us a surplus of \$24,919. The Capital Outlay that we are requesting is \$24,919 which gives us a balanced budget. She pointed out to Council that the monthly lease amounts for Yamaha and John Deere are included in the budget.

Page 22 – Debt Service Fund. City Financial Advisor Mary Badillo reminded Council that there will not be any activity in this fund because we've already paid off the obligation. She explained that any monies that come from taxes will go straight into the General Fund. Therefore, this fund has zero Operating Revenue and zero Operating Expenditures.

Page 24 – Sewer/Water Fund. For the Total Operating Revenues, we are requesting \$2,597,259.59. The Total Operating Expenses that we are requesting is \$1,952,419.66 which gives us a surplus of \$644,839.93. City Financial Advisor Mary Badillo explained that in conjunction with this, we also have our cash flows (depreciation and also the payments we have to make on our obligations). The Cash Flow amount is \$60,000 which gives us a Net Cash Flow of \$704,839.93. She reminded Council that once this projects starts for the new asbestos lines, we will have to pay out of this money. Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that the first payment of \$120,712 is due on February 1, 2019. Ms. Badillo explained that \$95,000 is principal and \$25,712 is interest. According to Ms. Badillo, we also have another obligation, so the total principal amount that we are going to be paying next year, is \$290,000 on the obligations that we have, and the total expenses we will be paying for the obligations is \$83,704.

Interim City Administrator/City Secretary Dora V. Rodriguez reminded Council that every year, in October, we increase the rates. She explained that she and City Accountant Denise Duffy and Judy Langford, Plan Administrator, have been talking to Mark McLiney, Consultant, about this. After looking at the budget, Mr. McLiney is saying that we are good the way we are for a while; so there will be no increase in sewer/water rates this October. Interim City Administrator/City Secretary added that this budget does include the new garbage rates because they are going up in October.

Page 31 – Lodging Tax – The Total Operating Revenues being requested is \$10,697.00 with Total Operating Expenses of \$10,697.00, giving us a balanced budget.

Page 34 – TCOLE Fund – City Financial Advisor Mary Badillo reminded Council that we try not to budget any contributions that we aren't 100 percent sure that we are going to be getting; therefore, there is no money allocated right now in the budget. She explained that the only revenue right now in this fund is \$10 for the interest on the bank account. She further explained that as those contributions materialize, that's when we will bring an amended budget back to Council.

**Special Council Meeting
September 25, 2018
Page 6**

Page 36 – HOME Program Fund – City Financial Advisor Mary Badillo, again, told Council that if we are not 100 percent sure of receiving any monies, we do not budget for this. Therefore, there is a zero Operating Revenue and zero Operating Expenses for this fund.

Mayor Herring thanked Interim City Administrator Dora V. Rodriguez, City Accountant Denise Duffy and City Financial Advisor Mary Badillo for working on the budget.

Motion by Alderman Espinosa, seconded by Alderman Lopez to adopt the Budget for Fiscal Year 2018-2019 as presented.

Budget for FY 2018-2019 attached as Exhibit B.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The fifth order of business was to discuss and consider Adopting an Ordinance establishing the Budget beginning October 1, 2018, and ending September 30, 2019, appropriating funds for the operation of the General Fund, Water Fund, and Sinking Fund to pay interest and principal due on all city indebtedness.

Council reviewed the Budget Cover Sheet and the Budget Ordinance as Mayor Herring read the ordinance aloud.

Motion by Alderwoman Schott, seconded by Alderman Espinosa to Adopt Ordinance 9-18 establishing the Budget beginning October 1, 2018, and ending September 30, 2019, appropriating funds for the operation of the General Fund, Water Fund, and Sinking Fund to pay interest and principal due on all city indebtedness.

Budget Cover Sheet and Ordinance attached as Exhibit C.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The sixth order of business was to discuss and consider Adopting 2018-2019 Tax Rate.

Mayor Herring announced that the new tax rate for Fiscal Year 2018-2019 will be \$0.5013 on each \$100 valuation of property. He thanked everyone who worked with the budget, including all the

Special Council Meeting
September 25, 2018
Page 7

employees and council who worked with these figures, but especially Interim City Administrator Dora V. Rodriguez, City Accountant Denise Duffy and City Financial Officer Mary Badillo.

Motion by Alderman Thompson, seconded by Alderwoman Schott to Adopt the 2018-2019 Tax Rate of \$0.5013 on each \$100 valuation of property.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

Discussion was carried after the motion. Mayor Herring announced that even though we lowered the property tax rate, we will be getting more money. He stated that this budget will raise more revenue from property taxes than last year's budget by an amount of \$6,347, which is a 0.67 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this is \$7,843.

The seventh order of business was to discuss and consider Adopting an Ordinance levying ad valorem taxes for use and support of the municipal government of the City of Devine for the 2018-2019 Fiscal Year; providing for appointing each levy for the specific purposes; and, providing when taxes shall become due when same shall become delinquent if not paid with \$0.5013 on each \$100.00 valuation of property for the maintenance and support of the general government (General Fund).

Motion by Alderman Lopez, seconded by Alderman Thompson to Adopt Ordinance 9-18A levying ad valorem taxes for use and support of the municipal government of the City of Devine for the 2018-2019 Fiscal Year; providing for appointing each levy for the specific purposes; and, providing when taxes shall become due when same shall become delinquent if not paid with \$0.5013 on each \$100.00 valuation of property for the maintenance and support of the general government (General Fund).

Ordinance attached as Exhibit D.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The eighth order of business was to discuss and consider the recommendation of the Planning & Zoning Commission for meeting held on September 17, 2018.

- A. Request made by HomeLUXE Realty for approval of an RV Park located on Heritage Plaza Subdivision, which bears the following legal description: Heritage Plaza, Block 5 (NCB 197),

Special Council Meeting
September 25, 2018
Page 8

Lot 3 Acres 0.708 & Lot 4 Acres 0.811, Heritage Plaza Block 6 (NCB 198), Lot 1 Acres 0.620, Lot 2 Acres 0.664 & Lot 3 Acres 0.744 and Block 7 (NCB 199), Lot 1 Acres 0.969.

Mayor Herring informed Council that this request was approved by the Planning & Zoning Commissioners based on the recommendation of our City Engineer Raul Garcia that we have enough sewer capacity to service this development. Also, according to Director of Public Works Ismael Carrillo, we have a 6 inch water line and it should not be a problem.

Council heard comments from Mr. Devin Holland, the developer of the RV Park which will be behind Tractor Supply. According to Mr. Holland, they haven't purchased the property yet; they were waiting to close next month. Mr. Holland told Council that there are platted streets already on the property but he would not need to use those streets. He mentioned that the continuation of Dixon Drive would be something to consider, and he spoke about the entrance being on the corner of Dixon and Enterprise, but he also added that there could be alternative entrances. He told Council that he is aware that the property will need to be re-surveyed and re-platted. Also, according to Mr. Holland, he would like to make this a gated development, with a privacy fence.

Council held more discussion with Mr. Holland. He told Council that he is looking at doing this development in three phases and would like to have it completed by the end of the year with 60 spaces total. He also told Council that this would be more of a long-term alternative-type of housing. The builder will be Chester Maples, who does a lot of work around here.

Alderman Thompson inquired of any drainage issues in the area. According to Director of Public Works Ismael Carrillo, there are aren't any drainage issues except for a corner that does hold some water and probably needs to be looked at by our City Engineer, Raul Garcia. City Attorney Tom Cated stated that our engineer will show the elevations on the replat, and everything will be reviewed.

Motion by Alderman Thompson, seconded by Alderman Espinosa to approve the recommendation of the Planning & Zoning Commission to grant the request made by HomeLUXE Realty for approval of an RV Park located on Heritage Plaza Subdivision, which bears the following legal description: Heritage Plaza, Block 5 (NCB 197), Lot 3 Acres 0.708 & Lot 4 Acres 0.811, Heritage Plaza Block 6 (NCB 198), Lot 1 Acres 0.620, Lot 2 Acres 0.664 & Lot 3 Acres 0.744 and Block 7 (NCB 199), Lot 1 Acres 0.969.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

- B. Request made by Gustavo Garcia for approval of a drive-thru window driveway located on Herring Avenue, which bears the following legal description: Devine, Block 20, Lot 5-6 (Parts Of).

Special Council Meeting
September 25, 2018
Page 9

Mayor Herring informed Council that the Planning & Zoning Commissioners denied this request due to concerns with traffic conditions presenting an unsafe situation with the drive-thru location being requested. However, he said that discussion was held on an alternative way of doing the drive-thru.

Mr. Alberto Vasquez who was present at the meeting on behalf of Gustavo Garcia chose not to make any comments, but told Council that he understood that there is another alternative for a drive-thru entrance. City Attorney Tom Cate advised that if he decides to go with the alternative drive-thru entrance, he could proceed and not have to come back before the Planning & Zoning Committee; however, he would need to get with Code Compliance Officer Eddie Diaz regarding permits and complying with any building code requirements. Council held further discussion on the alternative drive-thru location.

Motion by Alderman Espinosa, seconded by Alderwoman Schott to deny the request made by Gustavo Garcia for approval of a drive-thru window driveway located on Herring Avenue, which bears the following legal description: Devine, Block 20, Lot 5-6 (Parts Of).

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The ninth order of business was to discuss and consider for the City of Devine to approve an Appraisal to be done by Samuel M. Noble, VP with Noble & Associates, Inc. for the back 9-holes property that is owned by the Devine Golf Association and leased by the City; and to authorize Interim City Administrator Dora V. Rodriguez to sign the contract.

City Attorney Tom Cate explained to Council that the City was advised by our auditor to get a basis of the property and in order to do that, we need to get a certified appraisal. He informed Council that the City has used Noble & Associates, Inc. before and they've done a good job for us. He told Council that they've given us a quote of \$3,975.00 to do a commercial appraisal. He explained that they will complete it in 30 days and every day that they go over the 30 days, they will be assessed a penalty of \$100 per day.

Motion by Alderman Espinosa, seconded by Alderman Lopez to approve an Appraisal to be done by Samuel M. Noble, VP with Noble & Associates, Inc. for the back 9-holes property that is owned by the Devine Golf Association and leased by the City for \$3,975; and to authorize Interim City Administrator Dora V. Rodriguez to sign the contract.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

**Special Council Meeting
September 25, 2018
Page 10**

Motion carried.

The tenth order of business was to discuss and consider allowing the Police Department to apply for a Walmart Community Grant for Silent Santa.

Interim City Administrator/City Secretary informed Council that they are applying for a \$1,000 grant.

Motion by Alderman Lopez, seconded by Alderwoman Schott to allow the Police Department to apply for a Walmart Community Grant for Silent Santa.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

The eleventh order of business was to discuss and consider Golf Course.

A. Events

Superintendent of Public Works Rob Flores informed Council of the following upcoming events at the golf course:

- a. September 26, 2018 – Tomorrow, we are having a cross country meet at 2:00 p.m. We are expecting 453 kids.
- b. October 1, 2018 is the Warhorse/Arabian Golf Tournament.
- c. October 13, 2018 is the Crimestoppers Tournament.

B. Club House

Interim City Administrator/City Secretary Dora V. Rodriguez informed Council that nothing new has been done at the Club House due to working on the budget; she told everyone to stop any work for now. However, she did report to Council that the architect showed up yesterday and he plans to get everything together to bring back to us. She shared with Council that he is excited and he has a lot of different ideas that are not going to be costly.

Interim City Administrator/City Secretary Dora V. Rodriguez also informed Council that she received proposals for an ATM machine. She told Council that she is looking into what percentages the City will be getting out of this, in case it is approved. Interim City Administrator/City Secretary Dora V. Rodriguez and City Accountant Denise Duffy also both met with Jeremy from Security State Bank so he could suggest the best location to put an ATM machine, and they informed him that they will be mentioning this to the architect so that he can include it in his plans when he submits everything to Council.

Special Council Meeting
September 25, 2018
Page 11

Superintendent of Public Works Rob Flores reported to Council that a new ice maker machine is already at the Club House; it makes 500 pounds of ice per day. He also reported that the old water softener has been removed; it was in very bad condition. As far as the front 9-holes of the restrooms at the club house, Superintendent of Public Works Rob Flores reported that everything is new in the inside now. He said he is just waiting on a couple of plumbing parts to come in, and everything will be up and running. Discussion on the restrooms at the back 9-holes. Superintendent of Public Works Rob Flores reported that they are just starting to tear those down to work on them. Discussion was held on the color to use.

C. Finances

Interim City Administrator/City Secretary Dora V. Rodriguez reported that this is what was discussed under the Amended Budget. Council held minor discussion.

D. Greens

Superintendent of Public Works Rob Flores reported to Council that right now, all they are doing is cutting grass. He informed Council that two high school students just started working at the golf course.

Council held discussion on seeding the greens in the winter time. Superintendent of Public Works Rob Flores stated that it was done in the past, it just hasn't been done; they are trying to get caught up. According to Mr. Richard Malone, it's usually done around this time of year. Discussion was held that seeding will help the greens pop up better in the spring time. Mr. Malone stated that it's very important to oversee the greens. He explained that it hadn't been done in 6-7 years due to lack of money, but it would be money well spent. Mr. Malone shared that the Golf Association got some bad advice from other golf courses that weren't overseeding. He suggested that we look at the proposal from USGA where they are recommending that we do this. He said that it's not too late to do this.

The twelfth order of business was Informational Items.

Mayor Herring announced the following:

- Tournament – The Crime Stoppers Tournament will be October 13, 2018. According to Alderman Lopez, they are ready to go. He thanked all the departments for helping out and everyone who worked hard on getting this together.
- Budget – Mayor Herring thanked Interim City Administrator/City Secretary Dora V. Rodriguez; City Accountant Denise Duffy and City Financial Officer Mary Badillo for all their hard work in getting a balanced budget.
- Sam Jaramillo – Alderman Espinosa expressed concerns by Mr. Jaramillo regarding standing water at the creek nearby. Director of Public Works Ismael Carrillo will be taking a look at this.

Special Council Meeting
September 25, 2018
Page 12

The thirteenth order of business was the Annual Acknowledgement of Conflict of Interest and Code of Conduct.

City Financial Advisor Mary Badillo went over the Code of Conduct and Conflict of Interest forms with City Council, explained the Whistle Blowers Policy. She explained to Council how all of this got started and went over suspicions of fraud, and discussed how we all need to practice ethical behavior. She explained that all city employees, from the Mayor and City Council down to the custodian, complete these forms. Ms. Badillo then directed the Mayor and Council on completing the forms.

Interim City Administrator/City Secretary Dora V. Rodriguez shared that our auditors do look at these forms, and stated that they use our policies as a model for other clients.

Mayor Herring thanked City Financial Officer Mary Badillo for the Annual Acknowledgement.

There being no further business to come before the governing body, motion made by Alderman Espinosa, seconded by Alderman Lopez to adjourn meeting.

Ayes	--	Four
Nays	--	None
Absent	--	One – Alderman Valdez

Motion carried.

Mayor

City Secretary