
State of the City of San Benito: Address To Citizens and Stakeholders

By **BENJAMIN GOMEZ**
Mayor, City of San Benito

Ladies and Gentlemen: Thank you for taking the time today to learn about the State of our City.

I'd like to acknowledge Mayor Pro Tem Carol Lynn Sanchez, Commissioner Tony Gonzales, Commissioner Rene Villafranco, and Commissioner Ricardo Guerra as the officials you have elected to help govern our City.

I wish to take this opportunity to commend the Commission for its dedication to the City of San Benito. They each, in their own way, have contributed to the development of the City.

I want to thank City Manager Manuel De La Rosa and his dedicated staff for the service they provide to our Great City.

Thanks also, to our City employees, the men and women who deliver City services with integrity, efficiency and commitment. They are to be recognized for their daily efforts in providing the services we have grown to expect.

The City Charter, Section 3.03, requires that the Mayor of the City of San Benito present a State of the City message on an annual basis. So, I am happy to be able to do so. This is more than an obligation, it is an honor and opportunity to share our accomplishments, goals and objectives of some of the projects that make us such a special and unique City.

I have great faith in San Benito. This is a community that honors its heritage and is ready to encounter new growth and development for our future progress in this great community. As I have said before, by working together, we can and will reach our goals.

Over the past year while serving as Mayor, I have seen many successes. I am pleased to report on the developmental progress, as well as the positive and stable financial condition of the City of San Benito.

The City has maintained a very respectable bond rating at A+ with Standard & Poors, including the increase in emergency operating reserve funds jumping from 103 to 110 days over the past two years. Those funds would be invaluable in the event of a catastrophic event, so we could continue to provide needed services to our citizens. And now, we anticipate the ability to increase that operating reserve to 120 days at the beginning of our next fiscal year...the recommended benchmark by many Best Practice professionals.

Fitch Ratings has affirmed the City of San Benito's financial standing at A-Plus.



Moody's Investors Service gave the City an A1 rating, based on our stable financial position with healthy reserve levels, as well as our stable tax base.

In fact, for the past two years, we have been awarded the Certificate of Achievement for Excellence in Financial Reporting highlights our annual audit from the Government Finance Officers Association, an independent organization that establishes and improves the standards of accounting and financial reporting for state and local governments.

We have achieved state-wide levels of excellence also. The State Comptroller's Office has again awarded the City of San Benito its platinum award for meeting online financial transparency criteria. They complimented our stability and steady financial profile. Our key credit-strength is the City's sound financial performance marked by stable reserves and conservative budgeting of what can be sensitive revenue streams.

And, we have worked hard to keep spending low in order to increase our emergency operating reserve funds from 90 days to 110 days. With the receipt of our 2016-2017 audit, we have learned that our reserves can be extended by 10 additional days, giving us 120 days, or three months, of reserves should we need those funds in the event of an emergency such as a hurricane or other devastation.

And, I am happy to report that our City audit scored very high marks from our professional auditors, Patillo, Brown & Hill LLC, as well as Financial Reporting Agencies.

We received a "clean audit", which is an unmodified opinion that our financial statements presented a fair and accurate picture of the City, and has complied with generally accepted accounting principles.

This is significant because we must ensure the public that it is safe and secure to do business with the City.

Also notable is the fact that the audit was completed within six months of the City's year-end. This is important because the earlier the audit is completed, the more relevant the financial information is to the citizens, bondholders, investors and City leadership.

This year, the City of San Benito is operating on a \$12,703,243 annual general operating and debt service budget for the 2017-2018 fiscal year. With the inclusion of City enterprise funds and debt service the overall budget total is \$24,184,671.

As you know, the budget serves as a blueprint for providing basic and emergency services for the community through September 2018.

Hand-in-glove with the budget was the approval of the ad valorem tax rate which remains unchanged from the prior year, at \$0.728125 per \$100 assessed property valuation. Also, our 2017 Certified Tax Roll indicated we have more than \$680 million in net taxable properties.

Anticipated revenue from property taxes, fees, services, fines, licenses, permits and other financing sources, is projected at \$12,703,243.

As in past years, the greatest operating expenses are generated by Public Safety at \$6,522,735. Of that total, \$3,566,646 is set aside for the police department, \$2,269,445 for the fire department, \$364,756 for Code Enforcement, and \$230,569 for Municipal Court.

It's no secret, our most challenging of issues is our streets.

The City of San Benito is doubling its efforts to resurface and rebuild City streets to enhance the mobility and safety of our citizens.

We are actively looking at innovative ways to finance more needed improvements. The Commission instructed City Management to investigate two specific proposals in efforts to fund a means to deal with our needed street repairs. We are currently evaluating those options.

Last Fiscal Year marked a year of transition in many aspects for the City of San Benito. City leadership initiated several components of its Comprehensive Plan to prepare a roadmap for the City's future development.

In the past Fiscal Year, the Department of Planning and Zoning was consolidated resulting in a more efficient method of providing customer service along with continued growth and development of the City. We hired a new director who brings many years of experience in planning and development from other successful cities.

Also, a Museum Coordinator came on-board to steer the newly constructed \$1.6 million San Benito Cultural Heritage Museum as the flagship designed to make San Benito truly a Destination City, with the creation of new and exciting rotating exhibits and attractions. A federal grant covered most of the cost of building that facility.

I am pleased to report that we recently received a \$45,000 grant from the AEP Foundation, to help facilitate the development of interpretive exhibits in the new 7,000 square-foot facility. San Benito's new Cultural Heritage Museum is a part of the City's plan to utilize local art, music, and visitors as a means of creating economic development.

Museums are more than just institutions and venues for entertainment. They are components that contribute to the local economy. Our plan is to create a united Cultural Heritage District on the entire block on which the City's new Museum, the old Library and the Community Building/Auditorium are located. We are now in the midst of a rehabilitation of the old City Library, which will also play a role in the Museum District.

Restructure of the City's Economic Development Corporation resulted in significant savings and provided funds to help support projects that truly benefit the community. We have the staff needed to handle its operations and work with prospective developers. Recruitment of new businesses to San Benito is underway with at least two solid proposals on the table at this time for the City to consider.

The future certainly looks bright for the City of San Benito. Solid growth and development is being realized in the construction of the \$23 million AEP Texas Service Center off of Business 77 that features an 88,000-square foot building which will serve as the regional headquarters for the commercial power provider. In the deal with AEP, the City acquired the existing AEP building on Business 77, with consideration underway on just how to utilize the structure...options include selling it and putting it back on the tax rolls.

The opening of a new \$1.5 million cold storage facility at the Free Trade International Bridge at Los Indios this past April is designed to attract more commercial traffic locally. As a 25 percent owner of the bridge, the City is actively participating in a progressive marketing strategy that will bring additional revenue into the City. Last year the City received \$356,000 in revenue from toll crossings. The idea is to promote the bridge with the result of drawing more traffic to the Free Trade Bridge. By cost-sharing the

promotional expenses with the County and City of Harlingen, we are able to stretch our dollars more efficiently and reach the targeted market that can benefit from use of the bridge. It is a concept that will benefit all parties concerned.

San Benito's Parks Department created further depth and dimension over the past year with the addition of a greater variety of recreational sports and civic activities directed toward the young and more mature citizens in the community.

As you may know, the City is creating a new community park on South Sam Houston Blvd., currently dubbed "South Park." Infrastructure work, including installation of water and sewer lines at a cost of \$100,000, has been completed on the designated 12.5 acres of land. Funds were granted by the Valley Baptist Legacy Foundation in the form of a \$495,000 grant.

And, it is with great pleasure that I announce that the Texas Parks and Wildlife Department has awarded the City of San Benito a \$314,780 non-urban outdoor grant for our South Park project. Proposed developments include the acquisition of two City blocks to connect South Park with an adjacent neighborhood, trails, a splash pad, exercise equipment, concession, restroom, picnic tables, lighted soccer fields, barbecue pits, solar lighting, screen planting, hydromulching, fine grading, irrigation and signage.

This marks the first neighborhood park on the south side of the Expressway in the City's history. It's long overdue, and are happy to see it finally happening. Completion of the park is forecast this coming fiscal year.

Other indicators pointing to a healthy financial standing in San Benito are the steady increase in sales tax which is up by about 3 percent, and a 20 percent increase in business permits.

The City is seeing steady growth, and is on track to experience even greater economic wellbeing into the future.

And, now, the City of San Benito is working on a creating a new identity: Becoming a Destination City that will attract more visitors, growth and culture. A destination City must give people a reason to want to come to a community, whether it be for amenities, culture, aesthetics, food or other desires. So, we devised a plan to appeal to visitors that features the museums, entertainment, and festivals. Studies show that second to manufacturing, tourism and hospitality are the second highest focus of economic development. This is a strategy that is certainly within our means to achieve.

The first Resaca City Music Festival in October of last year was a tremendous success, drawing several thousand people to our City. We plan to continue on this trend. In fact, we have renamed the event to be called the South Texas Music Festival to better reflect a regional celebration growing in San Benito.

We have a new Cinco de Mayo festival that featured an international musical headliner, as well as other notable dance and singing groups, and the Luchadores (feisty, showy wrestlers) fighting to win the Resaca City Championship belt. This first-time event was enthusiastically received by the community, and surrounding cities.

The first Hog Waddle Country Concert and Sanctioned BBQ Cook-Off was a success at the San Benito Fairgrounds in April. This event featured country music star Mark Chestnut, and it produce some of the best barbecue in Texas.

These events join the established festivals including ResacaFest and several Christmas-themed events.

These happenings will contribute to our economic development by raising revenue for continued City cultural events through sales tax, making San Benito a destination City, attracting outside dollars, instilling San Benito Pride in the community and enhancing quality of life for residents.

San Benito also has a beautiful winding Resaca throughout the community that is drawing eco-tourists. We have approved negotiations with Oracle Works for the construction of a mixed-use water-front office and retail development on City-owned land. This project will bring in new businesses, and attract more people and jobs to San Benito. Our City Management Team and Economic Development Corporation were instrumental in bringing this project to fruition.

The City is in the third phase of construction of an ecological wetlands project that hosts a wide variety of birds and other wildlife. The region's subtropical climate, winter visitor facilities, a partnership in the creation of Rails-to-Trails projects, proximity to the Mexican border, and wide open undeveloped land suitable for manufacturing and industry also contribute to San Benito's desirability as a Destination City.

With these plans firmly in-hand, City administration is targeting new revenue streams for the community in order to attract new dollars to supplement our ad valorem and fee-based financial coffers.

And, the City has successfully settled a long-standing lawsuit with contractors and engineers over its water treatment plant, with the \$9 million settlement providing for short and long-range improvements for many years to come. Of that total, the City receives \$4 million outright. Additionally, the balance will come from the Evoqua and other firms involved in the plant's construction to cover equipment and services required to upgrade the facility to its originally intended quality standard of service. We have hired and are working with engineers to create a new pilot study to submit to the TCEQ for their stamp of approval before actual improvements can be made. It is our hope that Water Treatment Plant No. 2 will be online by the summer of 2019, providing service to our citizens that were originally promised when the plant was first built. Additionally, at that plant, we have placed into service a 1 million-gallon water storage tank with generators as a back-up to assure water service in the event of a water outage.

Water Treatment Plant No. 2, meanwhile, is undergoing an \$1 million rehabilitation to further insure a quality water supply for our citizens. This is an investment in our community that will serve us well and allow us to grow and prosper with an adequate supply of quality water.

Additional improvements are being made to the City's infrastructure, in streets, water and wastewater treatment plants and lift stations. This City Commission is meeting the challenge of finding ways to upgrade at least six of our aging lift stations, as per TCEQ standards. Those facilities have been neglected and time is running-out to bring them up to par by the year 2021.

Greater governmental transparency was ensured with the adoption of an ethics ordinance, live-streaming City meetings and posting more financial data on the City's social media sites.

We are working toward the removal of more old structures, that are less than attractive. Last year alone, we demolished seven unsafe structures, and added another 14 demolitions this year.

Parks and building rental fees in San Benito have been reduced by the City Commission to encourage greater citizen use of local facilities and generate revenue for the City. By reducing rates, we hope that more citizens will use our facilities for their recreational and social events.

The economic climate in San Benito is good. Our sales tax proceeds for the past year were at a healthy 3% increase for our community. That means our City has received \$4.4 million in sales tax rebates to spend on the services needed in our community.

The Economic Development Corporation is now administering a \$400,000 loan under the U.S. Department of Agriculture Rural Development Intermediary Relending Program to add more funds to our Small Business Loan Program to help small businesses improve their facilities.

Police, Emergency Management, Fire Protection and Emergency Medical Services in San Benito continue to provide a high level of quality service to the citizens of San Benito.

Also, I am happy to report that our Police Department reports the crime rate has decreased by 1.98% between 2016 and 2017 in our Community.

Safe neighborhoods, parks and streets are vital to a great quality of life. Pro-active policing, highly trained firemen and prompt EMS response times provide our citizens and business community with the sense of security needed to grow our families and protect our businesses.

The San Benito Fire Department operates two fire stations, equipped with four pumpers, one ladder truck, one tanker, and three brush trucks. The department provides fire suppression, fire safety education and prevention, code enforcement, Haz-Mat response, Rescue response and public service.

The San Benito Fire Department covers a total of 80.32 square miles, 16.27 inside City limits and 64.05 by county contract. Training is vitally important for the health and safety of the firefighters and those they serve, and therefore receives high priority within the department.

With so much good coming to San Benito over the past year, we are truly grateful for the support and drive of our citizens and our community.

I want you to know that the State of the City of San Benito is VERY SOUND, and HOLDS GREAT PROMISE FOR THE FUTURE.

LET'S KEEP MOVING FORWARD!

Thank you all for your interest in the State of Your City.