MINUTES OF SPECIAL CALLED MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE: Tuesday, March 31, 2025

TIME: 6:00 p.m.

PLACE: City of San Juan
EOC Room (2nd Floor)
512 S. Nebraska Ave.
San Juan, Texas 78589

MEMBERS PRESENT: Mario Garza, Mayor
Ernesto Guajardo, Commissioner
Adina "Dina" Santillan, Commissioner
Cris Palacios, City Attorney

STAFF PRESENT: Tirso Garza, Interim City Manager
Brenda Escalante, City Secretary
Leroy Gonzales, Director of Finance
Lulu Beltran, Assist. Director of Finance

ORDER OF BUSINESS

CALL MEETING TO ORDER:
Mayor Mario Garza called meeting to order at 12:00 p.m.

I. **PLEDGE OF ALLEGIANCE:**
Mayor Mario Garza led the Pledge of Allegiance.

II. **DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:**

A. **Discussion and Possible Action on Accepting the City of San Juan Annual Comprehensive Financial Report for the Fiscal Year Ending September 30, 2024. [Leroy Gonzales, Director of Finance]**

DISCUSSION: The City of San Juan held a special meeting to review and approve its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2024. Leroy Gonzales, informed the City Commissioner that this meeting was scheduled outside the regular calendar to meet reporting deadlines. Mr. Manuel Garcia, CPA with Garcia & Pena gave a clean opinion, confirming the city's financial statements were fairly presented. Total assets rose from $175 million in 2023 to $184 million in 2024, mostly due to capital improvements. Cash reserves decreased slightly, while long-term debt increased by $4.5 million due to new bonds. There was an unrestricted deficit in governmental funds, tied to construction project spending. The city saw a general fund profit of $2.3 million, with revenues mainly from property taxes ($12 million), while sales taxes only saw a slight increase. Expenses rose across most departments. In utilities, sewer service costs increased significantly, but the fund ended with a $4.5 million surplus. A five-year financial summary showed lower borrowing this year, a dip in franchise and service fees, and relatively flat sales tax growth. Federal and state grant activity was strong, with over $21 million awarded and $3.1 million spent. There were no major audit findings, though the auditor recommended a more frequent internal account review, which the city has already implemented weekly. Mayor Mario Garza raised concerns about sales tax growth and utility costs, and a future workshop was proposed for a deeper dive into the report.

Commissioner Ernesto "Neto" Guajardo made motion to approve the audit and was seconded by Commissioner Adina "Dina" Santillan. Motion passed (3-0)

III. **ADJOURMENT**

Commissioner Ernesto "Neto" Guajardo made motion to adjourn at 12:38 p.m. and was seconded by Commissioner Adina "Dina" Santillan. Motion passed (3-0)

CITY OF SAN JUAN, TEXAS

Mario Garza, Mayor

ATTEST:

Brenda Escalante, City Secretary