

**THE STATE OF TEXAS
COUNTY OF ZAPATA
IN THE COMMISSIONERS COURT OF ZAPATA COUNTY, TEXAS**

Be it remembered, that on this the 16th day of May, A. D., 2008, the Commissioners Court of Zapata County, Texas, convened in **SPECIAL SESSION** of said Court, at the regular meeting place thereof, in the Courthouse of Zapata, Texas, with the following members of said Court, to-wit:

PRESENT:

Hon. Rosalva Guerra	County Judge
Jose Emilio Vela	Commissioner, Precinct No. 1
Gabriel Villarreal	Commissioner, Precinct No. 2
Joseph Rathmell	Commissioner, Precinct No. 3
Norberto Garza	Commissioner, Precinct No. 4
Saíd Alfonso Figueroa	County Attorney
Mary Jayne Villarreal-Bonoan	County Clerk

VISITORS:

Romeo Salinas, Doroteo Garza, Nellie Treviño, Aaron Sanchez, Sigifredo Gonzalez, Jr., Helen Yvonne Trapp, Jose A. Dodier, Sylvia Dodier, Juan J. Gonzalez, Boyd Carter, Ramiro R. Garcia, Manuel J. Dominguez, Jr., Robert Umphres, Sandy J. Pippin-Gomez, Alba Benavidez, Hector F. Lopez, Jr., Xavier Villarreal, Antonio A. Mendoza, Craig D. Bigler, David Schmidt, Edna Umphres, San Juanita Sanchez, Luis L. Gonzalez, Delia Mendoza, Charlie Martens, Norma Amaya, Angel Castañeda. Robert "Speedy" Collett, Lino De Leon, Celia Balderas, Angel Garza, Anna D. Holcomb, Karran Westerman, Joyce Carrington, Jorge Flores, Dorothy Pizaña, Manuel Gonzalez, Jr., and Peggy Umphres.

WHEREUPON, the following Orders and Proceedings were had by said Court, to-wit:

MEETING CALLED TO ORDER AT 2:00 P. M.

PUBLIC PARTICIPATION / COMMENTS

Boyd Carter, Director of the Chamber of Commerce, read a letter to Commissioners' Court. The letter stated that the Board of Directors of the Chamber of Commerce is concerned because it appeared that Commissioners' Court has made itself the governing body of the chamber which is a corporation. By the action of the Commissioners' Court, it appears that the former employees previously terminated from their employment have either been rehired by the Commissioners' Court or have in effect rehired themselves, by the action of a few members of the chamber who are not board members and who acted on their own behalf and without the participation or endorsement of the Board of Directors in the information and on the request presented to the Commissioners' Court on May 12, 2008. The existing Board of Directors believes that it should not be held responsible for actions by persons representing

themselves to be Chamber employees or any outcome resulting from the operation of the Chamber since April 21, 2008 the date the Board of Directors took action to cease operations because its governing authority of the operations of the chamber since that date has been totally usurped, abridged or abrogated by the Zapata County Commissioners' Court the present situation is untenable for the existing Board of Directors. The existing Board of Directors cannot endure the fiduciary liability inherently associated with being directors of a corporation if the board of directors does not have complete governing authority over the corporation. Therefore, the Board of Directors of the Zapata County Chamber of Commerce, respectfully requests that the Zapata County Commissioners' Court quickly reconsider its apparent interference in the governance of the Zapata County Chamber of Commerce and proceed accordingly.

Mr. Figueroa addressed the Court regarding the allegation of the County interfering with the authority of the Board. He stated that people came to Commissioners' Court to request money and that he did not recall Mr. Carter telling the Court that this was not what they were asking. The way that it was presented to the Court was that it was an organized united front requesting money from the Court. Commissioner Rathmell asked Mr. Carter if he was present when the committee was selected. Mr. Carter responded that he was in attendance at the gathering and to the best of his knowledge, it was not an official meeting of the board of directors or possibly of the membership, he was not given sufficient notice or description in advance of that meeting. Judge Guerra asked Mr. Carter if he knew who had called the meeting, Mr. Carter responded that he would say it was the members, notice came to him from a person associated with the media in Zapata.

Mr. Figueroa clarified to the Court that what the board or the members do has nothing to do with the County. The only thing that has to do with the County is if the Chamber is requesting money, it's the County's decision to fund or not to fund. If the County chooses to fund, it is within the rights of the County to request some type of financial document. No statement was ever made by anyone in Court of the County's intention to interfere with a none county entity. The only issue that needs to be discussed by the County is whether you chose to fund it or not. The question now is who requested the money, the board or the membership. If the board is theoretically the governing body of this company, and if they are not requesting monies, we can't legally release monies to the membership.

Commissioner Rathmell stated that the money has been made available to the Chamber and it is now up to them to come and request it; it has been approved. If the board decides that they don't want the money they will have to bring that issue up with the membership, but the Court has ordered that those monies be available to the Chamber.

Mr. Carter stated that the board's position is that they had laid off the staff at the Chamber. They had been notified that there were no funds to pay them. Their budget for the year had been spent. Commissioner Rathmell stated to Mr. Carter that it was his (Mr. Carter's) perspective that there was no way out and no monies would be available, but he never came before Commissioners' Court to request money.

When Mr. Carter was asked how members were needed to make a quorum, he responded that it took four board members. Peggy Umphres asked to approach the Court and stated that a quorum of five was required according to the bylaws and Robert's Rules of

Order. According to the attorney any actions taken after April 21 are null and void. She stated that Mr. Carter's statement that there is no staff is not correct, members have a right according to the bylaws to follow procedures to approach the board to realize that actions taken were not valid because there was no quorum present. They have a right to reopen the Chamber and work with the existing board to fill the vacancies. At that time the funds approved may be allocated.

Mr. Figueroa informed Commissioner's Court that he needed to advise them of the Open Meetings Act, direct attorney client privilege that he needs to advise the court legally and he cannot make statements in front of the open public. Commissioners' Court opted to get legal advise. Mr. Figueroa clarified to the public that council for the County had given advise as to legal issued associated with the meeting and no decisions had been made.

Peggy Umphres clarified that there has been a full board operating over the four years that she has been here, in their bylaws the year ends in September. At that time the Chamber has to have an annual meeting, prior to a nominating committee being appointed by the board president and any vacancies will be elected and filled at that meeting. That meeting never occurred. During the time of October 1 and April 21, there was a quorum but not a full board, some of the members had other commitments and could not fulfil their term so they were vacated. Therefore, prior to April 21, there was a quorum, but not a full board in place.

**ORDER TO TAKE NO ACTION ON THE REQUEST BY JUDGE ROSALVA GUERRA
TO RESCIND MOTION MADE AND APPROVED TO PROVIDE FUNDS
FOR OPERATION OF ZAPATA COUNTY CHAMBER OF COMMERCE
FROM HOTEL MOTEL TAX**

Motion was made by Commissioner Vela, seconded by Commissioner Villarreal, to take **NO ACTION**, on the request made by County Judge Rosalva Guerra, to rescind motion made and approved on May 12, 2008 to provide funds for the operation of the Zapata County chamber of Commerce from the Hotel Motel Tax.

The above motion, being put to a vote, was approved by the affirmative vote of Commissioner Vela, Villarreal and Rathmell.

Commissioner Garza and Judge Guerra voted against. Motion carried.

PUBLIC PARTICIPATION / COMMENTS

Sigifredo Gonzalez, Jr., as tax payer showed Commissioners' Court a Power Point Presentation. He stated that at the meeting of April 21 it was discussed that bank records at the Chamber of Commerce indicated a negative amount of \$4,000.54 in the primary operating account. There are also checks outstanding and checks that were returned unpaid by reason of insufficient funds. At that time Peggy Umphres could not provide the board with a current reconciliation or ledger balance of the checking account. She stated that the account was reconciled through January 2008. Mr. Gonzalez also stated that when Mr. Carter requested

a current report of accounts payable and accounts receivable she stated that the information was not available. *Mr. Figueroa clarified that the County had not reviewed any of the documents, Sheriff Gonzalez made the presentation as a citizen and not in his capacity as Sheriff. The statements made are in no way shape or form the views of the Commissioners' Court.* Mr. Gonzalez proceeded with the presentation and stated that Peggy Umphres had stated that funds were borrowed from the Economic Development Center. Mr. Gonzalez further stated that the board members commented on the poor financial management of the chamber as indicated by the NSF checks, the unavailability of critical financial management information such as, accounts payable, accounts receivable and checking account reconciliation and unauthorized borrowing from the Economic Development Center. (Complete Power Point Presentation attached for the record.)

Sheriff Gonzalez informed Commissioners' Court that he filed a suit bearing Cause Number #6801 to prohibit Commissioners' Court from giving any more money to the Chamber of Commerce.

Peggy Umphres made clarifications on several of the invoices presented for payment.

Karran Westerman addressed Commissioners' Court and stated that she spent three years on the Board of the Chamber and money that was gotten from Commissioners' Court was not used for what it was supposed to be used. She suggested that a solution would be for the board to become a full board because they are the ones that have to ask for the money. The only people that know what is going on are board members or past board members.

Robert "Speedy" Collett, owner of Beacon Lodge, stated that he had come before Commissioners' Court to request the funds for Bass and FLW. FLW was approved, he further stated that he came by himself to make the request for funds, above the funds budgeted for the Chamber. It is his understanding that Bass didn't require the full \$50,000, it was \$35,000 plus in-kind up to \$50,000. If you give them the total of \$50,000 there would not be other expenditures. Judge Guerra stated that they had received a statement of \$61,000 and \$50,000 was sent. FLW is under contract for \$25,000 to hold two tournaments here, but they have not been paid. Mr. Collett mentioned several groups that would not come back to Zapata because of what the Chamber had done to them. He also said that he had a bar-b-que for the J.P.'s convention and was promised to be paid and was never paid. Other businesses have gotten paid, but nobody pays him for advertising for Falcon. He suggested that the County not fund any more tournaments and use the Hotel Motel tax wisely. He felt that the tournament was not well organized.

Jorge Flores, presented a preliminary written audit of the books of the Chamber of Commerce, he stated that these are only preliminary numbers through April 30, 2008. Mr. Flores recommended a contract between the Chamber and the County in order for the Chamber to know what their budget is at the beginning of the year, there appeared to be some confusion with the 3% increase in the Hotel Motel tax. (Mr. Figueroa stated that there had never been a contract in the past, but it would be a requirement for the coming year.) Mr. Flores also recommended that the Chamber hire a part time bookkeeper. Mr. Figueroa asked Mr. Flores if the organization could be salvaged, Mr. Flores said that the Chamber needed additional funding. There are also outstanding memberships dues that have not been paid. (A written report is attached for the record.)

Mr. Martens commented that to have a good Chamber of Commerce you have to have members and you have to have a board and be able to discuss issues with the revenue source, being the County and another being the Hotel Motel Tax. He'd like to see everyone working together to resolve the problems. You have to have accountability to receive public monies and disburse public monies.

Ms. Helen Yvonne Trapp stated that when the financial committee came before Commissioners' Court on Monday, it was because the funds were needed for the Chamber in order to keep it open until they had an audit to clarify all the things that needed to be fixed, not to take the negative action of being shut down and getting this negative promotion. It was to clear things that are being brought up before Commissioners' Court. It is the responsibility of the board and the staff.

Mr. Figueroa asked Ms. Trapp if the financial committee was formed by the Board of Directors and if the financial committee asked for the money on behalf of the board. Ms. Trapp responded that it was.

Judge Guerra stated that the reason why they were here, before Commissioners' Court, is because everyone was pointing the blame on the County. It is the responsibility of the Chamber of Commerce and Board members. We would like to see the Chamber of Commerce open for business and hopefully these matters will not be brought before Commissioners' Court again. We want to see an approved budget by members of the Chamber of Commerce and the official board.

Mr. Figueroa clarified that the Order of the Court was to make the monies available to the Chamber of Commerce, if they choose to accept it. A member cannot come and collect the money from the County because they have no legal grounds to collect it. The money has been ear marked for the Chamber and whoever the governing body is for the Chamber, that's who has to come for the money.

ADJOURN

Motion to adjourn was made by Commissioner Villarreal, seconded by Commissioner Garza, and being put to a vote, was approved by the affirmative vote of all members of the Court.

There being no further business for disposition at this term, the Court adjourned.

ROSALVA GUERRA, COUNTY JUDGE
ZAPATA COUNTY, TEXAS

ATTEST:

MARY JAYNE VILLARREAL-BONOAN
COUNTY CLERK AND EX-OFFICIO CLERK
OF THE COMMISSIONERS COURT OF
ZAPATA COUNTY, TEXAS