

REGULAR MEETING

CITY COMMISSION

HARLINGEN, TEXAS

May 4, 2016

A Regular Meeting of the Harlingen Elective Commission was held on May 4, 2016 at 5:30 p.m., City Hall, Town Hall Meeting Room, 118 E. Tyler Street, Harlingen, Texas. Those in attendance were:

Mayor and Commissioners

Mayor Chris Boswell

Mayor Pro-Tem Victor Leal, District 5

Danny Castillo, City Commissioner, District 1

Tudor Uhlhorn, City Commissioner, District 2

Michael Mezmar, City Commissioner, District 3

Ruben de la Rosa, City Commissioner, District 4

Staff Present

Dan Serna, City Manager

Amanda C. Elizondo, City Secretary

Richard Bilbie, City Attorney

Mayor Boswell called the meeting to order and announced the meeting was duly posted according to State law. The following proceedings were held:

Invocation/Mayor Chris Boswell

Mayor Chris Boswell gave the invocation.

Pledge of Allegiance/Welcome

Mayor Boswell led the pledge of allegiance and welcomed those in attendance. He changed the order of the agenda and proceeded with Item No. 5.

- 5) Discuss and approve an ordinance by the City Commission of the City of Harlingen, Texas authorizing the issuance, sale and delivery of City of Harlingen, Texas General Obligation Refunding Bonds, Series 2016; approving and authorizing a Purchase Contract, an Escrow Agreement, and a Paying Agent/Registrar Agreement; approving and authorizing all other instruments and procedures related thereto; delegating authority to the Mayor and/or the City Manager to select outstanding bonds to be refunded and approve all final terms of the bonds; and ordaining other matters relating to the subject.

Ms. Ann Burger Entrekin, Financial Advisor with First Southwest Company presented a slide presentation consisting of an updated summary of the City's refunding opportunities including advanced refunding bonds and municipal market update. She highlighted the Bond Buyer's Index of 20 Municipal Bonds and stated the current rate as of April 28, 2016 was at 3.32%, and are 5 bases point off of the December 6, 2012 of 3.27%. The Potential Refunding Candidates - Currently Callable Bonds - \$3,270,000 General Obligation Bonds, Series 2006 and highlighted the following information: Original Principal Amount - \$3,270,000; Callable Principal \$2,010,000, Callable Maturities - 2017-2026; Coupons - 4.00% - 4.25% and Call Date - 2/15/2016 @ Par.

There were two series that were issued in 2007. One was the General Obligation Bonds, Series 2007; Original Principal Amount - \$10,630,000; Callable Principal - \$7,875,000; Callable Maturities: 2018-2027; Coupons: 4.00% - 4.50% with a Call Date of 2/15/2017 @ Par. The second one was the Certificates of Obligation, Series 2007 - Original Principal Amount - \$22,000,000; Callable Principal - \$15,865,000; Callable Maturities, 2018-2027; Coupons - 4.00% - 4.50% and Call Date - 2/15/17 @ Par. She highlighted the projected savings of the current General Obligation Refunding Bonds Series 2006(1). Delivery Date May 25, 2016; Refunding Par Amount - \$2,070,000; Refunded Par: - 2,010,000; Gross Savings - \$165,424; Net Present Value Savings - \$148,843; Present Value Benefit (%) - 7.405% and the True Interest Cost - 2.116%.

The saving would be approximately \$20,000 a year. The plan was not to take the amortization out. It would be amortized over the same time frame, but would be able to issue new bonds at a lower interest rate, versus 4.00% - \$4.25% coupons. She referred to the 2007 General Obligation Bonds and stated the Refunding Par Amount was approximately \$7,875,000; Gross Saving - \$862,371; Net Present Value Savings - \$755,753; Present Value Benefit approximately 9.596% with a True Interest Cost of 2.197%, slightly higher than the other

Regular Meeting
May 4, 2016

one because it would be extended for an additional year. The Negative Arbitrage was over \$90,000.

The Projected Saving of Advanced Refunding of Series 2007 Certificate of Obligation was as follows: Refunding Par Amount is projected at approximately \$15,865,000; Gross Savings - \$1,762,037; Net Present Value Savings \$1,533,832; Present Value Benefit (%) 9.667%; True Interest Cost - 2.167%; and Negative Arbitrage - \$178,449.

Ms. Enterkin explained the "Advance" Refunding versus "Current" Refunding; Negative Arbitrage; Parameter Bond Sale and stated Section 1207 of the Government Code allows refunding bonds via a parameter sale. Previously the City Commission allowed for delegated final pricing authority to the Pricing Officers (The Mayor and/or City Manager). Pricing officers can only approve sale, if the City Commission parameters were met. If the City Commissioner wish to include the 2007 General Obligations and Certificate of Obligations as part of the refunding transaction, the parameters would need to be updated. Suggested updated parameters for consideration were as follows: Maximum Interest Rate - 4.00%; Minimum Threshold for Refunding - 3.50 Net Present Value of Refunded Bonds; Aggregate Principal Amount of Issue - \$26,750,000; Final Maturity Date - February 15, 2027; Expiration of Delegated Authority - November 4, 2016; and Delegation Authority - The Mayor and/or City Manager. The reason for the delegate authority was due to the Flexible Market Timing, basically allowing to react quickly to market conditions and to enter the market without having a tie to a specific City Commission Meeting.

Discussion was held in regards to the refunding of the bonds and negative arbitrage and Mayor Boswell asked what would be the range of the projected annual savings.

Ms. Entrekin responded approximately \$250,000 a year. They were mindful in cost of issuance and if both bonds were combined together there would only be one cost of issuance instead of two.

Commissioner Uhlhorn stated these bonds were originally for twenty years. The City was 10 years into amortization. The City would not be re-amortizing for 20 years, but only for ten years and the maturity date would not be moved or anything else. The City would be taking advantage of the interest rate savings based on the market rate.

Richard Bilbie, City Attorney read the caption of the ordinance.

Motion was made by Commissioner Uhlhorn and seconded by Mayor Pro-Tem Leal to approve an ordinance authorizing the issuance, sale and delivery of City of Harlingen, Texas General Obligation Refunding Bonds, Series 2016; approving and authorizing a Purchase Contract, an Escrow Agreement, and a Paying Agent/Registrar Agreement; approving and authorizing all other instruments and procedures related thereto; delegating authority to the Mayor and/or City Manager to select outstanding bonds to be refunded and approve all final terms of the bonds; and ordaining other matters relating to the subject. Motion carried unanimously.

Mayor Boswell returned to the regular order of the agenda. He read and presented the proclamations to the following recipients.

- 1) Presentation of proclamations proclaiming the following:
 - a) Month of May, 2016 as "Motorcycle Safety and Awareness Month."
Robert Keen.
 - b) Month of May, 2016 as "Elder Abuse Prevention."
Maria Ramos and Harlingen Office staff members.
 - c) May 9-15, 2016 as "National Salvation Army Week."

Major Dolores Watts thanked everyone for their support and stated they were celebrating 89 years in service.

- d) Recognizing the Late Dr. Ruben Lopez, Trauma Surgeon and Rene Perez, Paramedic-RN for founding the Advanced Trauma Life Support-Harlingen Program."

Mrs. Ruben Lopez, Rene Perez, Bill Aston and STECF Board Members

Regular Meeting
May 4, 2016

Mayor Boswell stated this was certainly an incredible achievement by the Late Dr. Ruben Lopez and Rene Perez and honored them for their development to the medical school. They were great contributors to this city. He expressed his appreciation for making Harlingen a better place and for their leadership.

Mr. Perez stated he and The Late Dr. Ruben Lopez started the program in Harlingen in 1999 and continues to operate in Harlingen with all the physician instructors that come from all over the United States.

e) May 15-21, 2016 as "National Public Works Week."

Javier Zamora, City Engineer and several Public Works staff members.

Mr. Zamora expressed his sincere gratitude to all the Public Works Staff for providing the necessary services to the community. He thanked the City Commission and Mr. Serna for their support.

2) Presentation by Art Alvarez and Irvin Janak, Texas Municipal League representatives to present a plaque to the City of Harlingen in regards to the Safety and Loss Prevention Program.

Mr. Art Alvarez from Texas Municipal League stated about 5 years ago he and Irvin Janak worked with approximately 8 or 9 cities who participated in the discovery program on a voluntary basis. They reviewed all aspects of the City's insurance coverage including all claims and met with department heads to discuss some of the challenges and deficiencies. This is a one week program. Eight employees from Austin would come to the City at no cost. They would meet with the department heads to train them on how the program works. The recommendations made to the City were based on controlling losses throughout the year. Mr. Alvarez stated the lower the modifier the more savings to the City. Last year's the City's modifier was .84 and this year was .72 which meant a savings to the City.

Mr. Alvarez read and presented a plaque to the City Commission and congratulated them and the Safety Committee for fulfilling the recommendations and providing new ideas on how to make this program more successful.

Dan Serna, City Manager thanked Mr. Alvarez, and the Human Resources Department for their efforts to keep the employees safe and for providing a reduction in premium.

3) Approval of Minutes

a) Regular Meeting of April 6, 2016.

Commissioner Uhlhorn stated on Page 10, Line 19 a change needed to be made from "Colorado Street" to "The Bridge over the Arroyo Colorado."

Motion was made by Commissioner Mezmar and seconded by Commissioner Uhlhorn to approve the minutes of April 6, 2016 with the noted correction. Motion carried unanimously.

CONSENT AGENDA

4a) Consider and take action to approve a request from Cameron County Elections Department to use the Cultural Art Center located at 576 "76" Drive as an Early Voting Polling Site from May 16th to May 20th, 2016 for the Democratic and Republican Primary Runoff Elections to be held on Tuesday May 24, 2016 from 9 a.m. to 6 p.m.

b) Consider and take action to authorize the City Manager to sign a Texas 2016 ESG Application Local Government Approval for Nonprofit Organization Conducting ESG Shelter Activities for Loaves and Fishes.

c) Consider and take action to authorize the City Manager to sign a Texas 2016 ESG Application for Nonprofit Organization Conducting ESG Shelter Activities for the Family Crisis Center.

For the record, Commissioner Mezmar filed a Conflict of Interest Form with Amanda C. Elizondo, City Secretary in regards to Item 4c. He relinquished his chair and excused himself from the meeting room to avoid an appearance of impropriety.

Motion was made by Mayor Pro-Tem Leal and seconded by Commissioner Castillo to approve the items under the consent agenda. Motion carried unanimously.

Commissioner Mezmar returned to the meeting room.

- 6) Consider and take action to authorize the Mayor on behalf of the City of Harlingen Police Department to approve and sign the Texas Department of Transportation – Texas Traffic Safety Program Grant Agreement regarding a project titled “Step-Click it or Ticket.”

Ray Cavazos, Acting Deputy Chief stated this was a re-occurring grant for \$6,349.23 and the City's match was \$1,991.63. The City's match would be derived from the existing budget.

Motion was made by Commissioner Uhlhorn and seconded by Mayor Pro-Tem Leal to authorize the Mayor on behalf of the City of Harlingen Police Department to approve and sign the Texas Department of Transportation - Texas Traffic Safety Program Grant Agreement regarding a project titled “Step- Click it or Ticket.” Motion carried unanimously.

- 7) Consider and take action to approve a resolution finding that AEP Texas Central Company's Application for approval of a distribution cost recovery factor to increase distribution rates within the City should be denied; finding that the City's reasonable rate case, expenses shall be reimbursed by the company.

Gabriel Gonzalez, Asst. City Manager stated AEP was asking for a rate increase. The City hired Thomas L. Brocato and Chris Brewster from the Law Firm of Lloyd Gosselink to review the rate increase to determine whether they were appropriate and negotiate any reductions if possible. Any fees incurred will be reimbursed by AEP. He recommended approval of the resolution.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Castillo to approve the resolution finding that AEP Texas Central Company's Application for approval of a distribution cost recovery factor to increase distribution rates within the City should be denied; finding that the City's reasonable rate case and expenses shall be reimbursed by the company. Motion carried unanimously.

- 8) Consider and take to accept or deny the donation of a mobile restroom facility given to the City of Harlingen for public events by the non-profit organization Harlingen's Wellness Coalition.

Javier Mendez, Director of Parks and Recreation stated the Harlingen Wellness Coalition donated a mobile restroom facility to the City for park and public/city events. The mobile has four individual units and a large ADA restroom with a ramp. The Harlingen Wellness Coalition applied for a grant from the Valley Baptist Legacy Foundation and the mobile restroom facility was part of that grant. The cost of the unit was \$38,000 and was delivered to the city.

Motion was made by Mayor Pro-Tem Leal and seconded by Commissioner de la Rosa to accept the donation of a mobile restroom facility given to the City of Harlingen for public events by the non-profit organization Harlingen's Wellness Coalition. Motion carried unanimously.

- 9) Public hearing and take action to approve One Year Action Plan (Budget) for Fiscal Year 2016 -2017 (Year 42) of the Community Development Block Grant Program Fiscal Year 2016-17 (Year 22) of the Home Investment Partnerships Program (Home).

For the record, Commissioner Mezmar filed a Conflict of Interest Form with Ms. Elizondo regarding Item No. 9. He relinquished his chair and excused himself from the meeting room to avoid an appearance of impropriety.

Tammy DeGannes-Jackson, Community Development Director stated the City of Harlingen was a recipient of little over \$1,000,000, but continues to receive cuts. The C.D.B.G. reduced the amount of funding by approximately 1/2 million dollars. This year's C.D.B.G. allocation was \$796,099; HOME Program Allocation - \$215,417.00; and Anticipated Program Income (City) is expected to be \$44,270.00 from the Revolving Loan Fund. One of the projects, funded from CDBG would receive \$20,519.00 for affordable housing. Two Community Development Advisory Board members were present for any questions. She highlighted the following proposed 2016-2017 One Year Action Plan Budget and recommended approval of the plan.

EXHIBIT "A"

**C.D.B.G. AND HOME FUNDS
 PROPOSED 2016-2017 ONE YEAR ACTION PLAN BUDGET**

C.D.B.G. Allocation	\$ 796,099.00
HOME Allocation	\$ 215,417.00
Anticipated Program Income (from Rehabilitation, Economic Development to City)....	\$ 44,270.00
Anticipated Program Income (to HCDC).....	\$ 28,519.00
Combined Total Allocations	\$ 1,084,305.00

PROPOSED PROJECTS

03F - Parks, Recreation Facilities – Victor Pool	\$89,000.00
03K - Street Improvements	\$330,728.00
05A - Public Services (Seniors) Amigos del Valle	\$6,000.00
05D - Public Services (Youth) Boys & Girls Club	\$55,660.00
05D - Public Services (Youth) Girl Scouts	\$8,000.00
05M - Public Services (Health) Sunshine Haven	\$15,000.00
05N - Public Services (Abused Children) Family Crisis Center	\$6,000.00
05N - Public Services (Abused Children) CASA	\$15,000.00
05U - Public Services (Housing Counseling) CDCB	\$11,000.00
14A - Housing Rehabilitation Program	\$25,711.00
14H - Housing Rehabilitation Administration	\$75,000.00
21A - General Administration	\$159,000.00
Total CDBG Funding	<u>\$796,099.00</u>
12 - HOME-Affordable Housing Programs (CDCB)	\$193,917.00
21H - HOME-Administrative Support	\$21,500.00
Total HOME Funding	<u>\$215,417.00</u>
14A - Housing Rehabilitation (anticipated RL program income)	\$44,270.00
12 - Construction of Housing (anticipated AHP-RL Program Income)	\$28,519.00
Total Anticipated Program Income	<u>\$72,789.00</u>
Total Anticipated Funding	<u>\$1,084,305.00</u>

Commissioner Uhlhorn thanked the board and staff for funding \$89,000 for the Victor Pool to install new filters. This was a public health issue and of high priority.

Commissioner de la Rosa asked what criteria was use to determine how much money would Sunshine Haven receive per year.

Ms. DeGannes-Jackson responded it depended on the number of participant served. Applicants apply for funding and the Community Development Board would review the criteria against their information. Applicants would make presentation before the board to justify their needs. Allocations were made depending on the needs of the organization(s).

Mayor Boswell announced this was a public hearing and anyone wishing to speak for or against the item could do so.

Ms. Yolanda Shoffiet, 280 Altas Palmas stated Sunshine Haven was only serving 20% of the Harlingen people and were awarded \$7,500. She asked how many people were being served from Olmito and if Loaves and Fishes was funded.

There being no other comments, Mayor Boswell declared the public hearing closed.

Motion was made by Commissioner Uhlhorn and seconded by Mayor Pro-Tem Leal to approve the approve One Year Action Plan (Budget) for Fiscal Year 2016-2017 (Year 42) of the Community Development Block Grant Program Fiscal Year 2016-17 (Year 22) of the Home Investment Partnerships Program (Home). Motion carried unanimously.

Mayor Boswell thanked the Community Development Board members for their recommendations on how the funds should be allocate to serve the community.

Commissioner Mezmar returned to the meeting room.

- 10) Consider and take action to adopt an ordinance on first reading to install a stop sign on Vista Verde Drive at its intersection with Vista Verde Circle North.

Javier Zamora, City Engineer, stated staff received a request from a local citizen regarding a stop sign. He said an inspection and traffic count was conducted to determine if there was a need to install a stop sign on Vista Verde Drive at the intersection of Vista Verde Circle North. Staff reviewed the request and recommended approval of the request.

Richard Bilbie, City Attorney read the caption of the ordinance.

Motion was made by Mayor Pro-Tem Leal and seconded by Commissioner Castillo to adopt an ordinance on first reading to install a stop sign on Vista Verde Drive at its intersection with Vista Verde Circle North. Motion carried unanimously.

- 11) Consider and action to approve an ordinance on first reading to extend an existing "No Parking Zone" along the east side of Citrus Terrace Drive.

Mr. Zamora stated staff also received a request from several citizens residing in the above mentioned location for a "No Parking Zone." Staff made an onsite inspection to determine the need to extend the "No Parking Zone" on Citrus Terrace Drive, from the alley North to Martha Ave. After reviewing the request, staff determined that the extension of the "No Parking Zone" would be necessary. He recommended approval of the "No Parking Zone."

Richard Bilbie, City Attorney read the caption of the ordinance.

Motion was made by Mayor Pro-Tem Leal and seconded by Commissioner Uhlhorn to approve an ordinance on first reading to extend an existing "No Parking Zone" along the east side of Citrus Terrace Drive. Motion carried unanimously.

- 12) Consider and take action to approve a resolution in support of the Cameron County Commissioners Court adopting a Freeport tax exemption to help promote economic development.

Mayor Boswell announced Item No. 12 would be postponed to a later meeting due to additional information that was pending.

- 13) Board Appointments
None

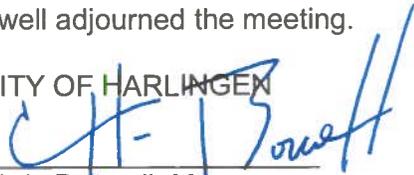
- 14) Citizen Communication

Yolanda Shoffiet, 285 Altas Palmas, spoke about one of the city officials abusing his political power. That she was still waiting on some public information.

Ron Lozano, 418 W. Tyler, cited some quotations and stated that when one serves on a voluntary board dealing with basic financing, it was prudent to be dedicated on the terms of offers, expectance, and philanthropy, as Item 9 addresses. A donation, even for tax purposes is done as a voluntary act.

There being no other business to discuss, Mayor Boswell adjourned the meeting.

CITY OF HARLINGEN


Chris Boswell, Mayor

ATTEST:


Amanda C. Elizondo, City Secretary