Notice is hereby given that the City Commission of the City of Harlingen, Texas will hold a Regular Meeting on Wednesday, May 20th, 2020 at 5:30 P.M. via videoconference, while providing the public the ability to view the meeting via internet live streaming at www.myharlingen.us and the City of Harlingen Facebook Page.

In accordance with the order of the Office of the Governor issued March 16, 2020, the City of Harlingen, Texas will conduct the meeting via videoconference and provide viewing for the public using live stream in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). To view the City Commission meeting live, go to www.myharlingen.us and click on “CITY COMMISSION LIVE.”

The public will be permitted to offer citizen communication or participate in items listed as public hearings telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. Written comments may also be submitted for City staff to read aloud during the meeting.

To offer citizen communication or participate in scheduled public hearings telephonically, go to www.myharlingen.us and click on “PUBLIC HEARING AND CITIZEN COMMUNICATION FORM.” Fill out the form and indicate the item you wish to address, and submit the form.

Please indicate (1) the agenda item on which you wish to speak, (2) whether you prefer to speak on the item during citizen communication or at the time the agenda item is brought for consideration before the City Commission, and (3) a working telephone number at which you may be reached to submit your comments. The City will then call you when the item you wish to address is being considered. You will then address the City Commission through speakerphone, and your call will be made audible to the City Commission and to the public through the live stream. Please submit this request before 5 p.m. on the day of the meeting.

To submit written comments for City staff to read aloud during the meeting, go to www.myharlingen.us and click on “PUBLIC HEARING AND CITIZEN COMMUNICATION FORM” write your comments (limited to 400 words or less) and submit the form.

Please submit written comments before 5 p.m. the day of the meeting.

A recording of the meeting will be made and will be available to the public in accordance with the Texas Open Meetings Act.

City of Harlingen meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary’s Office at (956) 216-5001 or write Post Office Box 2207, Harlingen, Texas 78550 at least 48 hours in advance of the meeting.

The Harlingen City Commission reserves the right, pursuant to the Texas Government Code Chapter 551, Subchapter D, to enter into closed executive session on any item posted on the agenda if a matter is raised that is appropriate for closed discussion.

Invocation – Mayor Chris Boswell
Pledge of Allegiance/Welcome

Call Meeting to Order

Citizen Communication/Input

1) Approval of Minutes
   a) Regular Meeting of April 1, 2020
   b) Joint Special Meeting of the City Commission and Economic Development Corporation of Harlingen, Inc. April 21, 2020

CONSENT AGENDA

The following items are of a routine or administrative nature. The Council has been furnished with background material on each item and/or it has been discussed at a previous meeting. All items will be acted upon by one vote, without being discussed separately, unless requested by a Commission member. Items withdrawn from the Consent Agenda for individual consideration in their normal sequence will be heard after the remainder of the Consent Agenda has been acted upon.

2a) Second and final reading to approve and adopt an ordinance amending the City of Harlingen’s Budget for Fiscal Year 2019-2020. Attachment (Finance Dept.)

b) Consideration and possible action to approve a request from Cameron County Election Department to use the Cultural Art Center, Studio A & B located on 576 “76” Drive, Harlingen, Texas, July 6 thru July 10, 2020 as an Early Voting site for the 2020 Democratic and Republican Runoff Election. Attachment (Public Building)

c) Consideration and possible action to approve a refund of property taxes paid by Popp Hutcheson, PLLC on behalf of the LCV Partnership LTD, Acct. #17-1100-0000-0010-00 in the amount of $6,141.90 due to a change of value for Year 2019 as per agreed Judgment Cause #2019-DCL-04847. Attachment (Finance Dept.)

d) Consideration and possible action to approve a refund of property taxes paid by Popp Hutcheson, PLLC on behalf of Lowe’s Home Centers, Inc., Acct. #21-6242-0010-0010-00 in the amount of $1,863.29 due to change in value for Year 2019 as per agreed Judgment Cause #2019-DCL-5297. Attachment (Finance Dept.)

3) Presentation by Carr, Riggs & Ingram, CPA(s) and Advisors, regarding the City of Harlingen Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018-2019. (Finance)
4) Consideration and possible action to approve a resolution authorizing the Mayor, on behalf of the City of Harlingen, to submit a grant application in reference to the Coronavirus Emergency Supplemental Funding (CESF) Program FY 20 from the Office of the Governor, Public Safety Office – Criminal Justice Division. Attachment (Police Dept.)

5) Consideration and possible action to approve a resolution authorizing the Mayor, on behalf of the City of Harlingen, to submit a grant application in reference to the Coronavirus Emergency Supplemental Funding (CESF) Program FY 20 from the Department of Justice – Bureau of Justice Assistance. Attachment (Police Dept.)

6) Consideration and possible action to approve a resolution authorizing the Mayor on behalf of the Harlingen Fire Department to submit a resolution as part of the Homeland Security Grant Application process for Year 2020/2021 for $28,750.00 for (1) Polaris Ranger and (1) Firelite Transport Darley for the Regional Hazmat UTV Transport Vehicle Project Grant App #4049401. Attachment (Fire Dept.)

7) Consideration and possible action to approve a resolution finding that AEP Texas Inc.'s Application to amend Distribution Cost Recovery Factors to increase distribution rates within the city should be denied. Attachment (Gabriel Gonzalez, Asst. City Manager)

8) Consideration and possible action to approve a contract agreement for consulting services to develop a Regional 5 Year Consolidated and Strategic Plan. Attachment (Gabriel Gonzalez, Asst. City Manager)

9) Consideration and possible action to enter into a Laboratory Services Agreement with Clinical Pathology Laboratories (CPL) and authorize the City Manager to sign the agreement. Attachment (Health)

10) Consideration and possible action to enter into a HIPAA Business Associate Agreement with Valley Med Urgent Care as it relates to COVID-19 Testing for Harlingen residents and authorize the City Manager to sign the agreement. Attachment (Health)

11) Board Appointments

Discussion and possible action regarding membership on any of the following listed board/entity:

a. Airport Board (2)
b. Animal Shelter Advisory Committee (4)
c. Audit Committee (2 - vacancy) (terms expired June, 2019)
d. Civil Service Commission (2)
e. Community Development Advisory Board (1)
f. Construction Board of Adjustments (5)
g. Convention & Visitors Bureau (1)
h. Development Corporation of Harlingen, Inc. (1)
i. Downtown Improvement District Board (1)
j. Golf Course Advisory Board
k. Harlingen Community Improvement Board
l. Harlingen Housing Authority Board (2)
m. Harlingen Finance Corporation (4)
n. Keep Harlingen Beautiful Board (4)
o. Library Advisory Board (1)
Specifically, appointment or discussion and possible action to include appointment bylaws and/or removal of any position subject to appointment or removal by statute, ordinance or bylaws.

12) Executive/Closed Session - Attorney consultation pursuant to Section 551.071(2), Texas Gov't Code to provide legal advice and counsel in connection with the City's rights, duties, privileges, and obligations in connection with Federal Aviation Administration correspondence pertaining to ARFF performance issues and related legal matters. (City Manager)

Adjournment

I, the undersigned authority, do hereby certify that the above Notice of the Regular Meeting of the Harlingen City Commission is a true and correct copy of said notice posted on the bulletin board at City Hall of said City of Harlingen, Texas in a place convenient and readily accessible to the general public at all times and on the Corporation's Internet Website and said Notice was posted on Friday, May 15th, 2020, at or before 3:00 p.m. and remained so posted for at least 72 hours preceding the time of said meeting.

Dated this 15th, day of May, 2020

Amanda C. Elizondo, City Secretary
REGULAR MEETING

CITY COMMISSION

April 1, 2020

A Regular Meeting of the Harlingen City Commission was held April 1, 2020 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
Michael Mezmar, Mayor Pro-Tem, District 3
Richard Uribe, Commissioner, District 1
Frank Puente, Commissioner, District 2
Ruben De La Rosa, Commissioner, District 4
Victor Leal, Commissioner, District 5

City Staff
Dan Serna, City Manager
Mayra Herrera, Asst. City Secretary
Ric Navarro, City Attorney

Invocation – Victor Leal, City Commissioner

Pledge of Allegiance/Welcome - None

Mayor Boswell recited the Pledge of Allegiance and welcomed those in attendance.

Call Meeting to Order

Mayor Boswell called the meeting to order, a quorum was established. He stated a notice of the meeting was duly posted according to state law and the following proceedings were held.

Citizen Communication/Input - None

1) Approval of Minutes

a) Regular Meeting of February 19, 2020

Motion was made by Commissioner Puente and seconded by Commissioner De La Rosa to approve the minutes of the Regular Meeting of February 19, 2020. Motion carried unanimously.

2a) Second and final reading to approve and adopt an ordinance for a Special Use Permit ("SUP") to allow an adult business (microblading studio) in a General Retail ("GR") District located at 2222 S. Expressway 83, Suite 505 bearing a legal description of 2.5783 acres out of the West 10.34 acres of Lot AN-1, Block 24, Lon C. Hill Subdivision.

Applicant: Tania Cantu Salinas

b) Second and final reading to approve and adopt an ordinance for a Special Use Permit (SUP) to allow a Storage Container in a Light Industry (LI) District located at 2809 E. Grimes bearing a legal description of all of Industrial Park Subdivision, Block No. 2 and all of Industrial Park Subdivision, Block No. 6. Applicant: Dish Network
c) Second and final reading to approve and adopt an ordinance to rezone from Light Industry ("LI") District to General Retail ("GR") District for Lots 1-16, Block 1, Lots 1-12, Block 2, Lots 1-23, Block 3, and Lots 1-9, Block 4, Harlingen North Business Center Subdivision, located on the east side of Expressway 77 south of Loop 499. Applicant: Connie Trevino

d) Second and final reading to approve and adopt an ordinance to repeal Ordinance 2012-7 designating a "No Parking Zone" on the South side of Harrison Avenue, 46 ft West of the intersection of Eleventh Street.

e) Consideration and possible action to approve a refund of property taxes paid by JC Penny Co. (Popp Hutcheson PLLC). Account #18-4110-0010-0020-00 for $3,054.60 due to an adjustment on the change of value for Year 2019.

Motion was made by Commissioner Leal and seconded by Commissioner Puente to approve the Consent Agenda, Items 2(a-e). Motion carried unanimously.

3) Public hearing to consider a request to approve a resolution in support of the Sunland Country Housing Community Application to the Texas Department of Housing and Community Affairs 2020 Non-Competitive four (4) percent Housing Tax Credits for the proposed Sun Country Housing Development.

Xavier Cervantes, Planning and Development Director, stated the Sunland Country, LP intends to submit an application to the Texas Department of Housing and Community Affairs for 2020 Non-Competitive four (4) percent Housing Tax Credit for the Sunland Country Housing Community at the southwest corner of Ed Carey Drive and West Lamb Road consisting of 166 units. Staff received two (2) calls from the surrounding property owners objecting to the proposed development.

Sunny Phillip, Executive Director, highlighted the following information.

- Units 166 - (6-1 BR, 84-2 BR, 60-3 BR, 16-4 BR)
- Gated community
- Family housing geared as workforce housing for middle class family
- Veterans will be housed using VOSH vouchers
- Land size - 13 acres
- Location - Southwest Corner of Ed Carey Drive and West Lamb Road
- Zoning approved - in a place that allows construction of apartments
- Other Amenities - Club House, Business Office with WiFi Connection, Washer and Dryer connections in all units, Laundry Facility, Exercise Room, Pavilion, Splash Pad, Tot Lot, Playground, and Dog Park

Mayor Pro-Tem Mezmar inquired about the expected date of construction.

Mr. Phillips responded he did not have a construction date. They were still working on the application.

Commissioner Uribe asked if they have done any projects in the Valley or Harlingen.

Mr. Phillips responded there are four (4) other developments and this is the only site they have for this development.

a) Public Hearing

Mayor Boswell announced this is a public hearing and anyone wishing to speak for or against may do so.
Dan Serna, City Manager, read the public comment from Mr. John Ballenger submitted thru an email expressing his support for the Sunland Country Housing Community development.

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

b) Consideration and possible action to approve a resolution in support of the Sunland Country Housing Community Application to the Texas Department of Housing and Community Affairs 2020 Non-Competitive four (4) percent Housing Tax Credits for the proposed Country Housing Development.

Ric Navarro, City Attorney, read the caption of the ordinance.

Motion was made by Commissioner Puente and seconded by Commissioner Leal to approve a resolution in support of the Sunland Country Housing Community Application to the Texas Department of Housing and Community Affairs 2020 Non-Competitive four (4) percent Housing Tax Credits for the proposed Sun Country Housing Development. Motion carried unanimously.

4) Consideration and possible action to allow city personnel to demolish the unsafe structures located at 509 North "L" Street legally described as Lot 4, Summit Heights Subdivision and 513 and 517 North "L" Street legally described as Lots 1-3, Summit Heights Subdivision, and to not place a lien to the property owner in an effort to remove community blight.

Mr. Cervantes stated the Clearance and Demolition Program was created to protect the public's health, safety, and general welfare of the Harlingen citizens. Staff is recommending demolishing the vacant structures at 509, 513 and 517 North "L" Street across Lon C. Hill Pool. They are considered unsafe and to remove the debris. Funds for the landfill tipping fees are allocated in the Code Compliance Division budget. Staff secured consent forms from the property owners consenting to the demolition. The owners requested that a lien not be placed on the properties for the demolition and tipping fees due to limited resources.

A short discussion was held regarding the demolition cost and if the City would be reimbursed for the work. What guarantee does the City have that the owners would not sale the houses? How can the City place a lien on the properties if the contract does not stipulate for a lien? The contract only provides for the owners agreeing for the City to demolish the structures.

Mr. Serna stated staff could speak to the owners to see if they would agree to the City placing a lien on the properties. If they decide to sell the houses, the City could recover its expenses. He recommended moving forward with the demolish work contingent upon them filing the lien on the properties.

Motion was made by Commissioner Uribe to allow staff to move forward contingent upon them filing the lien on the properties.

Mayor Boswell stated the reason for doing this is to obtain the property owners' cooperation and indemnify the City and not file any claims as a result of the demolition process. Staff has obtained the owners' permission to demolish the structures or else the structures would continue to stay at its present condition.

Mr. Serna stated the City has always followed the same procedures and previous owners have agreed to it. This year the National Guard was unable to assist due to funding cuts.
Mayor Boswell stated in the future, we may want to reconsider revising the procedures regarding this matter. What is being proposed now will require going back to the owners and redo the agreement. Not that this concern is not valid, but this is how the procedures were adopted. Staff is following what has been traditionally done and the owners have agreed.

Commissioner Uribe asked how much it would cost to demolish the structures.

Mr. Serna replied the work will be done thru the Public Works Dept. and the cost would be approximately $10,000.

Commissioner Uribe stated once the structures are demolished, there is the possibility of the properties becoming more valuable. These properties are zoned commercial property.

Mayor Boswell stated these properties could become a public safety issue and be used as graffiti magnets and drug hangouts. The City has had a robust program for the last ten (10) years to tear down dilapidated structures. Approximately 20 or more structures were done per year due to limited funds.

Commissioner Leal stated the owner(s) could decide to sale the structures, but these properties were zoned commercial and could be place on the city tax rolls at a higher percentage of taxes.

Mayor Boswell entertained a second to the first motion; there being none, the motion died due to a second.

Motion was made by Mayor Pro-Tem Mezmar and seconded by Commissioner De La Rosa to allow city personnel to demolish the unsafe structures located at 509 North "L" Street legally described as Lot 4, Summit Heights Subdivision and 513 and 517 North "L" Street legally described as Lots 1-3, Summit Heights Subdivision and not place a lien on the property owners in an effort to remove community blight. Motion carried as follow: FOR: Mayor Pro-Tem Mezmar, Commissioners: Puente, De La Rosa and Leal. AGAINST: Commissioner Uribe. Vote: 4-1.

5) Consideration and possible action to approve an ordinance on first reading to abandon and vacate a portion of a 1.0 foot non-access easement being a 0.00037 acre tract of land more or less (16 square feet) out of Lot 33, Block 1, Thomasville Estate Subdivision, located at 2802 Georgia Court. Applicant: Hector M. Saldivar

Mr. Cervantes stated Mr. Hector M. Saldivar, applicant is requesting that a portion of an existing 1.0-ft. non-access easement located on the west side of his property be abandoned to allow a driveway off Palm Court Drive to construct a two (2) car detached garage on his property. There is an existing 3,153 sq. ft. single family residence on the property. The property has 69 ft. of frontage on Georgia Court, 195 ft. of frontage on Palm Court Drive and a depth of 295 ft. at its longest point. The request was reviewed and approved by the Engineering Department and the appropriate utility companies.

Ric Navarro, City Attorney, read the caption of the ordinance.

Motion was made by Commissioner Leal and seconded by Commissioner De La Rosa to approve the ordinance on first reading to abandon and vacate a portion of a 1.0 foot non-access easement being a 0.00037 acre tract of land more or less (16 sq. ft.) out of Lot 33, Block 1, Thomasville Estate Subdivision, located at 2802 Georgia Court. Motion carried unanimously.
6) Consideration and possible action to approve a service contract between the City of Harlingen and UniFirst Corporation to provide uniform rental and laundering services for the city employees and to authorize the City Manager to sign the contract. (This item was tabled at the last Regular Meeting of March 18, 2020).

Motion was made by Commissioner Leal and seconded by Commissioner De La Rosa to remove the item from the table.

Mr. Serna stated he preferred to solicit quotes from other vendors, since the cost was below $50,000.

Mayor Boswell announced no action was required on this item.

7) Board Appointments

Commissioner De La Rosa reappointed Dr. Linda Burke to the Development Corporation of Harlingen, Inc.

Motion was made by Mayor Pro-tem Mezmar and seconded by Commissioner Leal to approve the reappointment of Dr. Linda Burke to the Development Corporation of Harlingen, Inc. Motion carried unanimously.

8) Executive Closed Session

a) Attorney consultation pursuant to Section 551.071(2), Texas Gov’t Code to provide legal advice and counsel in connection with the City’s rights, duties, privileges, and obligations in connection with the Federal Aviation Administration letter pertaining to ARFF performance issues and related legal matters. (City Manager)

At 6:07 p.m., Mayor Boswell announced Item 8 (a) would not be discussed and no executive session would be held. This item would be place on a future agenda.

Adjournment

There being no other business to discuss, Mayor Boswell adjourned the meeting at 6:08 p.m.

City of Harlingen

ATTEST: Chris Boswell, Mayor

Mayra Herrera, Asst. City Secretary
JOINT SPECIAL MEETING OF THE HARLINGEN CITY COMMISSION
& DEVELOPMENT CORPORATION OF HARLINGEN, INC.
April 21, 2020

A Joint Special Meeting of the Harlingen City Commission and Development Corporation of Harlingen, Inc. were held April 21st, 2020 via videoconference, providing the public the ability to view the meeting via internet, live streaming and permitting the public to offer citizen communication or participate in items listed on the agenda via videoconferencing or telephonically via www.myharlingen. Those in attendance were:

Mayor and Commissioners
Mayor Chris Boswell
Michael Mezmar, Mayor Pro-Tem District 3
Richard Uribe, Commissioner District 1
Frank Puente, Commissioner District 2
Ruben de la Rosa, Commissioner District 4
Victor Leal, Commissioner District 5

Development Corporation of Harlingen, Inc.
Mickey Boland, President
Eric Ziehe, Vice President
Dr. Linda Burke, Treasurer
Ricky Leal, Member
Michael Lamon, Member

City Staff Present
Dan Serna, City Manager
Amanda C. Elizondo, City Secretary
Allison Bastian, Asst. City Attorney

EDC Staff
Raudel Garza, CEO and Manager of the
Development Corporation of Harlingen
Alan Ozuna, EDC Attorney

Call meeting to order (Harlingen City Commission)

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

Call meeting to order (Development Corporation of Harlingen, Inc.)

Mickey Boland, EDC President called the meeting to order and announced the meeting was duly posted according to state law. The following proceedings were held:

Citizen Communication / Input - None

1. Executive Session pursuant to Texas Government Code Section 551.072, regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects, and Texas Government Code Section 551.071 regarding contemplated or pending litigation, or matters
where legal advice is requested of the attorney on a matter in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Act and Texas Government Code Section 551.087 regarding commercial and financial information from business prospects with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives relating to the following projects:

a) Project Landlord
b) Project Harlingen Helps 2.0

At 5:43 p.m., Mayor Boswell announced the City Commission would convene into executive session to discuss Items 1 (a & b).

Motion was made by Commissioner Uribe and seconded by Commissioner Leal to convene into executive session to discuss Item 1 (a & b). Motion carried unanimously.

At 5:44 p.m., Mickey Boland, President, announced the Development Corporation of Harlingen, Inc. would convene into executive session to discuss Item No. 1 (a) & (b).

Motion was made by Mr. Eric Ziehe and seconded by Mr. Ricky Leal to convene into executive session to discuss Item No. 1 (a) & (b). Motion carried unanimously.

At 6:29 p.m., Mayor Boswell announced the City Commission had completed its executive session and declared the meeting open to the public.

At 6:29 p.m., Mr. Boland announced the Development Corporation of Harlingen, Inc. had completed its executive session and declared the meeting open to the public.

2. Consideration and possible action on the executive session items, if necessary:

a) Project Landlord

Motion was made by Dr. Linda Burke and seconded by Mr. Eric Ziehe to authorize Raudel Garza, CEO and Legal Counsel to finalize the Performance Agreement with Project Landlord to allow for the offset of rent for nine (9) months beginning April 1, 2020 and authorize the President Mickey Boland and Mayor Chris Boswell to execute such agreement. Motion carried unanimously.

Motion was made by Commissioner Puente and seconded by Commissioner Uribe to authorize Raudel Garza, CEO and Legal Counsel to finalize the Performance Agreement with Project Landlord to allow for the offset of rent for nine (9) months beginning April 1, 2020 and authorize the President Mickey Boland and Mayor Chris Boswell to execute such agreement. Motion carried unanimously.

b) Project Harlingen Helps 2.0

Mr. Garza stated the EDC is proposing a one (1) million dollar fund through the EDC and City Commission to assist Harlingen small businesses affected by the COVID-19. This project would start hopefully by May 1st, 2020. If this project is approved, a HELP Committee would be created to assist in the review of the applications and make funds available to the people in need based on a scoring system. Businesses interested in applying could submit an application online through the EDC's website.
Motion was made by Mr. Eric Ziehe and seconded by Mr. Ricky Leal to approved Harlingen HELP 2.0 Project to help small businesses in a form of a loan, approve the expenditure of up to One (1) million dollars; approve the creation of a HELP Committee and authorized the committee to issue loans based on a scoring system and authorize the legal counsel to draft the loan documents. Motion carried unanimously.

Motion was made by Commissioner Uribe and seconded by Commissioner Leal to approved Harlingen HELP 2.0 Project to help small businesses in a form of a loan, approve the expenditure of up to one (1) million dollars; approve the creation of a HELP Committee and authorized the committee to issue loans based on a scoring system and the legal counsel to draft the loan documents. Motion carried unanimously.

3. Discussion and consideration to approve Budget Amendments for Fiscal Year 2019-2020.

Mr. Garza stated the EDC is projecting a 36% and the City of Harlingen a 20% decrease in the finances. He highlighted the following information.

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<tr>
<th>Cash Flow Analysis (Estimated)</th>
<th>FY 2019-20 Projected</th>
<th>FY 2019-20 Approved Budget</th>
<th>Budget Amendments</th>
<th>Variance (+/-)</th>
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<td>Consultant/Schroder &amp; Cline</td>
<td>$ 2,488</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hosting/Groundbreaking Events</td>
<td>$ 29,523</td>
<td>$ 60,000</td>
<td>$ 40,000</td>
<td>(-$20,000)</td>
</tr>
<tr>
<td>Administration - Operations</td>
<td>$ 499,487</td>
<td>$ 676,560</td>
<td>$ 522,500</td>
<td>(-$154,000)</td>
</tr>
</tbody>
</table>

Dan Serna, City Manager, stated the projection of the 20% is for the remaining of the fiscal year. This is just a projection. Once staff receives the sale tax allocation for the month of April, 2020, staff will be able to amend those numbers.

Mr. Garza stated the EDC is considering some amendments which will increase the EDC’s adopted budget for Direct Business Incentives from 1.3 million to 2.5 million. This amount includes one (1) million dollars for the Harlingen HELP 2.0 Project and other projects that were previously discussed such as the FIS Project. Based on our finances, there is almost half a million dollars in savings due to the refunding of bonds. The EDC started the fiscal year with 8.7 million dollars in cash.
There were other assets not included in this figure because it’s cash. It was projected that the ending cash balance would be 7.7 million dollars at the end of the fiscal year. With these budget amendments we are actually reducing our revenues and decreasing the existing fund balance. After the fiscal year, the projected remaining balance would be 5.6 million dollars with 3.3 million dollars in excess above debt reserve.

Motion was made by Mr. Michael Lamon and seconded by Mr. Eric Ziehe to approve the budget amendments for Fiscal Year 2019-2020. Motion carried unanimously.

Motion was made by Commissioner Leal and seconded by Commissioner Uribe to approve the budget amendments for Fiscal Year 2019-2020. Motion carried unanimously.

Adjourn.

There being no further business to discuss, Mayor Boswell adjourned the meeting at 6:42 p.m.

There being no further business to discuss, President Boland adjourned the meeting at 6:42 p.m.

ATTEST:  
CITY OF HARLINGEN

Amanda C. Elizondo  
City Secretary

Raudel Garza, Manager and CEO  
Mickey Boland, Vice President
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consideration and possible action to approve an ordinance on second reading to amend the City of Harlingen’s budget for fiscal year 2019-2020.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature:

Brief Summary:
This budget amendment allocates funds for awards, grants, and other revenues and expenditures not included in the current fiscal year approved budget. Exhibit “A” displays total revenues, expenditures, and estimated fund balances by fund after the amendment. Exhibit “B” displays detailed changes in revenues and expenditures by account number.

Catastrophic Emergency – Expenditures increase by $50,000
Award Programs – Restricted Fund – Revenues increase by $3,832,929 - Expenditures increase by $3,832,929
($3,266,684 increase in both revenues and expenditures after first reading)

Total – Revenues increase by $3,832,929 - Expenditures increase by $3,882,929 ($3,266,684 increase in both revenues and expenditures after first reading)

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount for this purpose? [ ] Yes [ ] No*  
*If no, specify source of funding and amount requested:
Finance Director’s approval: [X] Yes [ ] No [ ] N/A

Staff Recommendation:
Staff recommends approval.

City Manager’s approval: [ ] Yes [ ] No [ ] N.A

Comments:

City Attorney’s approval: [X] Yes [ ] No [ ] N.A
ORDINANCE NO. 2020-____

AN ORDINANCE AMENDING THE REVENUE AND EXPENDITURE BUDGET FOR THE CITY OF HARLINGEN, TEXAS, FOR FISCAL YEAR OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020. TOTAL BUDGET REVENUES WILL INCREASE TO $82,825,218 AND TOTAL BUDGET EXPENDITURES WILL INCREASE TO $89,157,761 RESPECTIVELY; PROVIDING FOR PUBLICATION OF THE CAPTION OF THIS ORDINANCE AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

WHEREAS, the City Manager of the City of Harlingen has prepared and presented to the City Commission Budget Amendment No. 2 for Fiscal Year October 1, 2019 through September 30, 2020; and

WHEREAS, amending the current fiscal year budget is desirable for clarity and is required by law; now therefore

BE IT ORDAINED BY THE CITY OF HARLINGEN:

SECTION I. That an amendment to the budget of the City of Harlingen, Texas for the fiscal year October 1, 2019 and ending September 30, 2020 inclusive of the revenues and expenditures of the Harlingen Waterworks System, Valley International Airport, Harlingen Community Improvement Bond Fund, Harlingen Economic Development Corporation Fund, Harlingen Downtown Improvement District Fund, and the Community Development Block Grant Fund in the total amount of Eighty-Two Million, Eight Hundred Twenty-Five Thousand, Two Hundred Eighteen Dollars ($82,825,218) in revenues and Eighty-Nine Million, One Hundred Fifty-Seven Thousand, Seven Hundred Sixty-One Dollars ($89,157,761) in expenditures is hereby adopted. A summary of the budget adopted is hereby attached to this Ordinance and incorporated herein as Exhibit A and the complete detail budget adopted by this Ordinance is incorporated herein by reference and shall be made available for public inspection at the office of the City Secretary during regular business hours.

SECTION II. That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of purchase orders outstanding as of September 30, 2019.

SECTION III. That the City Manager of the City of Harlingen, Texas, is hereby authorized to increase the budget by the amount of funds recovered for repair or replacement of property or equipment damaged by others.
SECTION IV. That the City Secretary of the City of Harlingen, Texas is hereby authorized and directed to cause a true and correct copy of the caption of this Ordinance to be published in a newspaper having general circulation in the City of Harlingen, Cameron County, Texas.

FINALLY ENACTED THIS ______ day of ________, 2020 at a regular meeting of the Electro Commission of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5, SUBTITLE A, CHAPTER 551.

CITY OF HARLINGEN

Christopher Boswell, Mayor

ATTEST:

Amanda C. Elizondo, City Secretary
### City of Harlingen Budget Amendment No. 2

**Fiscal Year 2020**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$20,789,755</td>
<td>$46,942,849</td>
<td>$49,671,586</td>
<td>$2,728,737</td>
<td>$18,061,018</td>
</tr>
<tr>
<td>Tennis Court</td>
<td>(9,503)</td>
<td>95,673</td>
<td>77,147</td>
<td>18,526</td>
<td>9,023</td>
</tr>
<tr>
<td>Hotel / Motel</td>
<td>868,839</td>
<td>865,000</td>
<td>924,492</td>
<td>(59,492)</td>
<td>809,347</td>
</tr>
<tr>
<td>Catastrophic Emergency</td>
<td>825,474</td>
<td>4,700</td>
<td>75,000</td>
<td>(70,300)</td>
<td>755,174</td>
</tr>
<tr>
<td>Free Trade Bridge</td>
<td>1,004,996</td>
<td>325,200</td>
<td>581,507</td>
<td>(256,307)</td>
<td>748,689</td>
</tr>
<tr>
<td>Convention and Visitors Bureau</td>
<td>204,915</td>
<td>447,300</td>
<td>493,627</td>
<td>(46,327)</td>
<td>158,588</td>
</tr>
<tr>
<td>Award Programs - Restricted</td>
<td>-</td>
<td>7,613,069</td>
<td>-</td>
<td>85,000</td>
<td>806,678</td>
</tr>
<tr>
<td>Publ., Educ., and Governmental Programming</td>
<td>721,678</td>
<td>85,000</td>
<td>-</td>
<td>-</td>
<td>561,791</td>
</tr>
<tr>
<td>Harlingen Convention Center</td>
<td>501,875</td>
<td>60,000</td>
<td>-</td>
<td>-</td>
<td>59,307</td>
</tr>
<tr>
<td>Federal Forfeitures</td>
<td>59,307</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td>148,657</td>
</tr>
<tr>
<td>State Forfeitures</td>
<td>150,657</td>
<td>70,000</td>
<td>72,000</td>
<td>(2,000)</td>
<td>59,307</td>
</tr>
<tr>
<td>Tax Increment Financing No. 1</td>
<td>500,591</td>
<td>61,200</td>
<td>-</td>
<td>-</td>
<td>561,791</td>
</tr>
<tr>
<td>Tax Increment Financing No. 2</td>
<td>592,227</td>
<td>121,200</td>
<td>-</td>
<td>-</td>
<td>713,427</td>
</tr>
<tr>
<td>Tax Increment Financing No. 3</td>
<td>296,667</td>
<td>287,000</td>
<td>523,396</td>
<td>(236,396)</td>
<td>60,271</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,075,322</td>
<td>4,581,538</td>
<td>4,760,174</td>
<td>(178,635)</td>
<td>896,686</td>
</tr>
<tr>
<td>Capital Improvement</td>
<td>13,901</td>
<td>-</td>
<td>13,901</td>
<td>(13,901)</td>
<td>-</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,260,602</td>
<td>1,413,074</td>
<td>2,673,676</td>
<td>(1,260,602)</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Auditorium (Note 1)</td>
<td>111,225</td>
<td>350,150</td>
<td>353,727</td>
<td>(3,577)</td>
<td>107,648</td>
</tr>
<tr>
<td>Sanitation/Sanitary Landfill (Note 1)</td>
<td>8,758,054</td>
<td>9,650,500</td>
<td>10,915,766</td>
<td>(1,265,266)</td>
<td>7,492,788</td>
</tr>
<tr>
<td>Harlingen Arts and Heritage Museum (Note 1)</td>
<td>42,421</td>
<td>97,050</td>
<td>114,139</td>
<td>(17,089)</td>
<td>25,332</td>
</tr>
<tr>
<td>Municipal Golf Course (Note 1)</td>
<td>(848,518)</td>
<td>876,200</td>
<td>1,101,044</td>
<td>(224,844)</td>
<td>(1,073,362)</td>
</tr>
<tr>
<td>Motor Vehicle (Note 1)</td>
<td>2,734,301</td>
<td>1,439,908</td>
<td>1,642,534</td>
<td>(202,625)</td>
<td>2,531,675</td>
</tr>
<tr>
<td>Internal Services (Note 1)</td>
<td>418,793</td>
<td>2,005,000</td>
<td>2,117,369</td>
<td>(112,369)</td>
<td>306,424</td>
</tr>
<tr>
<td>Health Insurance (Note 1)</td>
<td>643,979</td>
<td>5,413,607</td>
<td>5,413,607</td>
<td>-</td>
<td>643,979</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$40,717,556</td>
<td>$82,825,218</td>
<td>$89,157,761</td>
<td>$(6,332,543)</td>
<td>$34,385,013</td>
</tr>
</tbody>
</table>

**Note 1** - Working capital is the fund balance amount.
Exhibit "B"

City of Harlingen
Budget Amendment No. 2
Fiscal Year 2020

<table>
<thead>
<tr>
<th>General Ledger Account Number</th>
<th>Awards and Grants</th>
<th>Department Requests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>106-7209-721.39-99</td>
<td>50,000</td>
<td></td>
<td>50,000</td>
</tr>
</tbody>
</table>

Total Catastrophic Emergency Expenditures

<table>
<thead>
<tr>
<th>Award Programs - Restricted Fund Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policie - Homeland Security #3654001</td>
</tr>
<tr>
<td>Health - TX DSH # HHS003715000005</td>
</tr>
<tr>
<td>Public Works - Intergrmental - 9th and 13th Street Drainage</td>
</tr>
<tr>
<td>Public Works - TxDOT Loop 499 Sidewalk</td>
</tr>
<tr>
<td>Library - Border Cities RGV -21002</td>
</tr>
<tr>
<td>Public Works - Transfer from General Fund - 9th and 13th Street Drainage</td>
</tr>
<tr>
<td>Public Works - Transfer from General Fund - TxDOT Loop 499 Sidewalk</td>
</tr>
<tr>
<td>Total Award Programs - Restricted Fund Revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Award Programs - Restricted Fund Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police - Homeland Security - Supplies / Equipment Non-Capital</td>
</tr>
<tr>
<td>Public Works - TDEM 9th and 13th Street Drainage - Imprvmts Other Than Bldgs</td>
</tr>
<tr>
<td>Public Works - TxDOT Loop 499 Sidewalk - Svcs &amp; Chgs - General / Professional Services</td>
</tr>
<tr>
<td>Public Works - TxDOT Loop 499 Sidewalk - Imprvmts Other Than Bldgs</td>
</tr>
<tr>
<td>Library - Border Cities - Supplies / Office Equip/Furn Non-Cap</td>
</tr>
<tr>
<td>Library - Border Cities - Books, Magazines &amp; Papers</td>
</tr>
<tr>
<td>Library - Border Cities - Supplies / Miscellaneous Supplies</td>
</tr>
<tr>
<td>Library - Border Cities - Services / Software Maintenance</td>
</tr>
<tr>
<td>Library - Border Cities - Capital Outlay / Motor Vehicles and Heavy Equipment</td>
</tr>
<tr>
<td>Library - Border Cities - Capital Outlay / Miscellaneous Equipment</td>
</tr>
<tr>
<td>Health - State Health Services - Supplies / Office Equip/Furn Non-Cap</td>
</tr>
<tr>
<td>Health - State Health Services - Supplies / Chemical &amp; Medical Supplies</td>
</tr>
<tr>
<td>Health - State Health Services - Supplies / Miscellaneous Supplies</td>
</tr>
<tr>
<td>Health - State Health Services - Services / Equipment Rental/Lease</td>
</tr>
<tr>
<td>Health - State Health Services - Services / Regis., Travel &amp; Training</td>
</tr>
<tr>
<td>Health - State Health Services - Services / Contract Labor</td>
</tr>
<tr>
<td>Health - State Health Services - Capital Outlay / Miscellaneous Equipment</td>
</tr>
<tr>
<td>Total Award Programs - Restricted Fund Expenditures</td>
</tr>
</tbody>
</table>

Grand Total

|                                | $ 7,665,858 | $ 50,000 | $ 7,715,858 |

Page 1 of 1
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consideration and possible action to approve a request from Cameron County Election Department to use the Cultural Art Center, Studio A & B located on 576 "76" Drive, Harlingen, Texas on July 6 through July 10, 2020 as an Early Voting site for the Democratic and Republican Runoff Election for 2020.

Attachment (Public Building)

Prepared By (Print Name): Javier Mendez
Title: Parks & Recreation Director
Signature: 

Brief Summary:
The Cameron County Election Administrator has submitted a formal request to the City requesting the use of the Cultural Art Center, Studio A & B for an Early Voting site for the Democratic and Republican Runoff Election for 2020. The Election Days for the early voting will be Monday July 6 through Friday July 10, 2020. The voting site will be open from 8:00 am to 8:00pm on the days requested.

See attached letter from the Cameron County Election Administrator.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount [ ] Yes [ ] No*
for this purpose?

Finance Director’s approval: [ ] Yes [ ] No [ ] N/A

Staff Recommendation:
Staff recommends approval for the use of the building for the primary and general election on the dates requested.

City Manager’s approval: [ ] Yes [ ] No [ ] N/A

Comments:

City Attorney’s approval: [ ] Yes [ ] No [ ] N/A

form revised 04/29/09
April 10, 2020

Amanda Elizondo
City Secretary
City of Harlingen
118 E. Tyler Ave.
Harlingen, Texas 78550

Dear Ms. Elizondo

This is our official request to designate the following location as an Early Voting site for the Democratic and Republican Primary Runoff Elections to be held on Tuesday, July 14, 2020:

Harlingen Cultural Arts Center, 576 “76” Dr., Harlingen, Texas

The dates for early voting are as follow:

Monday, July 6 thru Friday, July 10
8:00 a.m. to 8:00 p.m.

If you agree, we will be delivering voting equipment a few days before Election Day begins. It will need to be stored in a secure area and be available during the election. We will also need three (3) folding tables, (4-6) chairs and working 120-volt electrical plugs for the equipment.

Upon consideration and agreement, please fax us a confirmation letter at (956) 550-7298 or email it to Maribel.diaz@co.cameron.tx.us. We greatly appreciate your help in making the approaching elections a success.

Thank you in advance for your consideration to this request.

Sincerely,

Remi Garza
Elections Administrator
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: 05/20/2020

Agenda Item:
Consideration and possible action to approve a refund of property taxes paid by Popp Hutcheson PLLC on behalf of LCV Partnership LTD on account #17-1100-0000-0010-00.

Prepared By (Print Name): Robert Rodriguez
Title: Finance Director
Signature: [Signature]

Brief Summary:
This refund request in the amount of $6,141.90 for account #17-1100-0000-0010-00 is due to an adjustment. The adjustment is due to change of value for year “2019” per agreed judgment cause #2019-DCL-04847.

Total amount of refund requested is $6,141.90.

Refunds over $500.00 require Commission approval.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount for this purpose? ☐ Yes ☐ No*
*If no, specify source of funding and amount requested:
Finance Director’s approval: ☒ Yes ☐ No ☐ N/A

Staff Recommendation:
Staff recommends approval of refund.

City Manager’s approval: ☐ Yes ☐ No ☐ N/A

Comments:

City Attorney’s approval: ☒ Yes ☐ No ☐ N/A
MEMORANDUM

TO: Robert Rodriguez
City of Harlingen

FROM: Aurora Lozano
TAX OFFICE
Harlingen, Texas 78550

DATE: April 28, 2020

RE: Account #17-1100-0000-0010-00, LCV Partnership LTD

Attached please find a refund of over $500 which will require Commissioner’s approval. Please let this memo serve as a request for this refund to be considered for approval of disbursement on the next Commissioner’s meeting.

The enclosed refund request is due to an adjustment. The adjustment is due to a change of value for year “2019” per agreed judgment cause #2019-DCL-04847. (See attached documentation)

Therefore the amount of $6,141.90 needs to be refunded to:

Popp Hutcheson PLLC
1301 S Mopac Expressway, Suite 430
Austin, Texas 78746

Should you have any questions regarding this matter, please contact me at (956)428-7999
CAUSE NO. 2019-DCL-04847

LCV PARTNERSHIP LTD AND LKVC LLC v.

CAMERON APPRAISAL DISTRICT

AGREED JUDGMENT

CAME ON TO BE HEARD LCV Partnership Ltd. And LKVC LLC, Plaintiffs herein, and the Cameron Appraisal District, Defendant herein, appearing by and through their respective attorneys of record, and announced to the Court that the parties herein desired to resolve and settle the matters in controversy, and avoid the trouble, expense and uncertainty of litigation, and have reached an agreement to that effect. Having heard these announcements and reviewed the evidence and arguments of counsel, the Court is of the opinion that such terms and conditions are well taken and should form the basis of judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the following stipulations are agreed by the parties and entered by the Court as its judgment.

1. The undersigned parties agree and stipulate that bona fide disputes and controversies exist between the parties concerning the market or appraised value of the subject property. These stipulations are entered into by the parties solely for the purpose of compromising and settling their various claims, each as to the other. No other use of this Stipulation may be made by the parties hereto as concerns the claim of either party as to the other, whether having arisen in the past, now pending, or to arise in the future, including, without limitation, subsequent disputes as to the market or appraised value of the subject property within Defendant’s appraisal
jurisdiction in any subsequent years. This agreement is not intended by either party as an admission of the market value of the subject property, nor shall same be represented by either party as to the other, as an admission. Further, the existence, terms, and contents of this Agreed Judgment shall not be admissible in any judicial or administrative proceeding as against either party except as may be necessary to enforce the terms and conditions of said judgment, either party as to the other.

2. Pursuant to § 42.41 of the Texas Property Tax Code Defendant Cameron Appraisal District shall revise the 2019 appraisal roll to reflect the following appraised values for the property described in Plaintiffs' pleadings:

<table>
<thead>
<tr>
<th>Property ID</th>
<th>Description</th>
<th>2019 Appraised Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>57667</td>
<td>Lack's Furniture - Brownsville</td>
<td>$3,800,000</td>
</tr>
<tr>
<td>69801</td>
<td>Lack's Furniture - Dixieland</td>
<td>$1,700,000</td>
</tr>
</tbody>
</table>

3. The undersigned parties shall, as soon as possible following execution of this agreement, do, or cause their attorneys to do, whatever is reasonably necessary to effect this agreement, including compliance with the provisions of §§ 42.41 through 42.43 of the Texas Property Tax Code.

4. The parties herein acknowledge that § 42.43, Texas Property Tax Code, provides for payment of interest on any refund made as a result of a final determination of an appeal which decreases a property owner's tax liability; however, each Plaintiff and any refund designee hereby agree to waive any such applicable right to receive interest on any such refund, provided, that such refund is delivered to the Plaintiff or its refund designee on or before the 120th day after the date the Chief Appraiser for Defendant certifies a correction to the appraisal roll reflecting the revisions to the appraisal roll as set forth in this Agreed Judgment.
5. Texas Property Tax Code § 42.43(f) provides that the final judgment in an appeal may designate to whom and where a refund is to be sent. Accordingly, the refund shall be sent to the following person at the following address:

Doppelt Hutcherson PLLC
1301 S. Mopec Ewy, Suite 430
Austin, TX 78746

6. All costs and attorney fees are to be borne by the party incurring same.

7. All other relief not specifically granted herein is denied.

8. This judgment finally disposes of all claims and all parties.

Signed this ______ day of __________, 2020

[Signature]
JUDGE PRESIDING
APPROVED AS TO FORM AND SUBSTANCE:

POPP HUTCHESON PLLC
1301 S. Mopac, Suite 430
Austin, Texas 78746
(512) 473-2661 - Telephone
(512) 479-8013 - Facsimile

Mark Hutcheson
State Bar No. 00796803
Mark.Hutcheson@property-tax.com

Daniel Smith
State Bar No. 24013525
Daniel.Smith@property-tax.com

Gregory M. Hart
State Bar No. 24036734
Greg.Hart@property-tax.com

ATTORNEY FOR PLAINTIFFS

LOW SWINNEY EVANS & JAMES, PLLC
3305 Northland Drive, Suite 500
Austin, Texas 78731
(512) 379-5800
(512) 476-6685 (fax)

By:
James R. Evans, Jr.
State Bar No. 06721500
jevans@lsejlaw.com

ATTORNEY FOR DEFENDANT

Copies to: 04/09/20
Hon. Mark Hutcheson
Hon. James Evans Jr.
Appraisal Value Certification

PropID: 69801
Certification Year: 2019
Supplement number: 30
GeoID: 17.1100-0000-0010-00
Owner: LCV PARTNERSHIP LTD
1300 San Patricia Dr
Pharr, TX 78577-2158

Entity: HARLINGEN C.I.S.D (IHG)

<table>
<thead>
<tr>
<th>Appraised</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impr</td>
<td>1,532,380</td>
</tr>
<tr>
<td>Land</td>
<td>167,620</td>
</tr>
<tr>
<td>Appr/Mkt</td>
<td>1,700,000</td>
</tr>
<tr>
<td>CAP</td>
<td>0</td>
</tr>
<tr>
<td>Assessed</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Taxable</td>
<td>1,700,000</td>
</tr>
</tbody>
</table>

Entity: SOUTH TEXAS I.S.D (SST)

<table>
<thead>
<tr>
<th>Appraised</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impr</td>
<td>1,532,380</td>
</tr>
<tr>
<td>Land</td>
<td>167,620</td>
</tr>
<tr>
<td>Appr/Mkt</td>
<td>1,700,000</td>
</tr>
<tr>
<td>CAP</td>
<td>0</td>
</tr>
<tr>
<td>Assessed</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Taxable</td>
<td>1,700,000</td>
</tr>
</tbody>
</table>

Entity: CITY OF HARLINGEN (CHG)

<table>
<thead>
<tr>
<th>Appraised</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impr</td>
<td>1,532,380</td>
</tr>
<tr>
<td>Land</td>
<td>167,620</td>
</tr>
<tr>
<td>Appr/Mkt</td>
<td>1,700,000</td>
</tr>
<tr>
<td>CAP</td>
<td>0</td>
</tr>
<tr>
<td>Assessed</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Taxable</td>
<td>1,700,000</td>
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</tbody>
</table>

Entity: CAMERON COUNTY (GCC)

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<tbody>
<tr>
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<tr>
<td>Land</td>
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<td>CAP</td>
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<tr>
<td>Assessed</td>
<td>1,700,000</td>
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<tr>
<td>Taxable</td>
<td>1,700,000</td>
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</table>

Situs: 802 S DIXIELAND RD
Ref ID 2:
Legal: HARLINGEN- DIXIELAND CENTER LOT 1
Entities: CAD, CHG, GCC, IHG, SAN, SST, THG3, TR2
Exemptions: CAD, CHG, GCC, IHG, SAN, SST, THG3, TR2
### Appraisal Value Certification

**PropID:** 69801  
**Certification Year:** 2019  
**Supplement number:** 30  
**GeoID:** 17-1100-0000-0100-00  
**Owner:** LCV PARTNERSHIP LTD  
1300 San Patricia Dr  
Pharr, TX 78577-2158

**Entity:** PORT OF HARLINGEN (SAN)  
| Impr | 1,532,380 | 1,532,380 |
| Land | 167,620  | 167,620  |
| Appr/Mkt | 1,700,000 | 1,700,000 |
| CAP | 0 | 0 |
| Assessed | 1,700,000 | 1,700,000 |
| Taxable | 1,700,000 | 1,700,000 |

**Entity:** CENTRAL APPRAISAL DISTRICT (CAD)  
| Impr | 1,532,380 | 1,532,380 |
| Land | 167,620  | 167,620  |
| Appr/Mkt | 1,700,000 | 1,700,000 |
| CAP | 0 | 0 |
| Assessed | 1,700,000 | 1,700,000 |
| Taxable | 1,700,000 | 1,700,000 |

**Entity:** CHG - SPUR 54 - TAX INCREMENT ZONE 3 (THG3)  
| Impr | 1,532,380 | 1,532,380 |
| Land | 167,620  | 167,620  |
| Appr/Mkt | 1,700,000 | 1,700,000 |
| CAP | 0 | 0 |
| Assessed | 1,700,000 | 1,700,000 |
| Taxable | 1,700,000 | 1,700,000 |

**Entity:** C.C. Regional Mobility Authority - TIRZ #2 (TR2)  
| Impr | 1,532,380 | 1,532,380 |
| Land | 167,620  | 167,620  |
| Appr/Mkt | 1,700,000 | 1,700,000 |
| CAP | 0 | 0 |
| Assessed | 1,700,000 | 1,700,000 |
| Taxable | 1,700,000 | 1,700,000 |

---

**CHANGE VALUE FOR 2019 AS PER SEC 42.41 OF THE TEXAS PROPERTY TAXCODE AND PURSUANT TO AGREED JUDGMENT CAUSE NO.2019-DCL-04847 4/15/2020,""Frg.**

**PREPARED BY:** CAMERON APPRAISAL DISTRICT  
PO BOX 1010  
2021 AMISTAD DR SAN BENITO TX 78586

**VALUE CERTIFIED BY:** Hector Briones RPA, Real Estate Manager  
4/15/2020 9:19:42AM
**AGENDA ITEM**
**EXECUTIVE SUMMARY**

**Meeting Date:** 05/20/2020

**Agenda Item:**
Consideration and possible action to approve a refund of property taxes paid by Popp Hutcheson PLLC on behalf of Lowe’s Home Centers Inc. on account #21-6242-0010-0010-00.

**Prepared By (Print Name):** Robert Rodriguez
**Title:** Finance Director
**Signature:**

**Brief Summary:**
This refund request in the amount of $1,863.29 for account # 21-6242-0010-0010-00 is due to an adjustment. The adjustment is due to change of value for year “2019” per agreed judgment cause #2019-DCL-5297.

Total amount of refund requested is $1,863.29.

Refunds over $500.00 require Commission approval.

**Funding (if applicable):**
Are funds specifically designated in the current budget for the full amount for this purpose?  
*Yes ☐  No* ☐

*If no, specify source of funding and amount requested:

Finance Director’s approval:  
[ ] Yes  ☐  No  ☐  N/A

**Staff Recommendation:**
Staff recommends approval of refund.

City Manager’s approval:  
[ ] Yes  ☐  No  ☐  N/A

**Comments:**

City Attorney’s approval:  
[ ] Yes  ☐  No  ☐  N/A

5/14/20
MEMORANDUM

TO: Robert Rodriguez
   City of Harlingen

FROM: Aurora Lozano
      TAX OFFICE
      Harlingen, Texas 78550

DATE: April 28, 2020

RE: Account #21-6242-0010-0010-00, Lowe’s Home Centers Inc.

Attached please find a refund of over $500 which will require Commissioner’s approval. Please let this memo serve as a request for this refund to be considered for approval of disbursement on the next Commissioner’s meeting.

The enclosed refund request is due to an adjustment. The adjustment is due to a change of value for year “2019” per agreed judgment cause #2019-DCL-5297. (See attached documentation)

Therefore the amount of $1,863.29 be refunded to:

   Popp Hutcheson PLLC
   1301 S Mopac Expressway, Suite 430
   Austin, Texas 78746

Should you have any questions regarding this matter, please contact me at (956)428-7999.
### Appraisal Value Certification

**PropID:** 240174  
**Certification Year:** 2019  
**Supplement number:** 32  
**GeoID:** 21-6242-0010-0010-00  
**Owner:** LOWE'S HOME CENTERS INC  
1000 Lowes Blvd  
Mooresville, NC 28117-8520

#### Entity: HARLINGEN C.I.S.D (HIG)

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<tr>
<th>Description</th>
<th>Appraised</th>
<th>Market</th>
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<td>4,232,512</td>
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</tr>
<tr>
<td>Land</td>
<td>2,067,488</td>
<td>2,067,488</td>
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<tr>
<td>Appraised/Mkt</td>
<td>6,300,000</td>
<td>6,300,000</td>
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<td>CAP</td>
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<td></td>
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<tr>
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#### Entity: SOUTH TEXAS I.S.D (SST)

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</thead>
<tbody>
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<td>Improvements</td>
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<tr>
<td>CAP</td>
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<tr>
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#### Entity: CITY OF HARLINGEN (CHG)

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<tr>
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<tbody>
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<td>CAP</td>
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#### Entity: CAMERON COUNTY (GCC)

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<td>Taxable</td>
<td>6,300,000</td>
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</tr>
</tbody>
</table>

**Situs:** 4705 S SOUTH EXPWY 83/77  
**Legal:** LOT 1 BLK A LOWE'S HARLINGEN COMMERCIAL SUBDIVISION (C12712-B & 2713-A CCMR)  
**Entities:** CAD, CHG, GCC, CHG, SD3, SPN, SST, T11G2, T  
**Exemptions:**
## Appraisal Value Certification

**PropID:** 240174  
**Certification Year:** 2019  
**Supplement number:** 32  
**GeoID:** 21-6242-0010-0010-00  
**Owner:** LOWE'S HOME CENTERS INC  
1000 Lowes Blvd  
Mooresville, NC 28117-8520

### Entity: DRAINAGE DISTRICT #3 (SD3)

<table>
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<tr>
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</thead>
<tbody>
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<tr>
<td>Taxable</td>
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### Entity: CENTRAL APPRAISAL DISTRICT (CAD)

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<td>6,300,000</td>
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### Entity: PORT ISABEL NAV (SPN)

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<thead>
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</table>

### Entity: CHG - FM 509 - TAX INCREMENT ZONE 2 (THG2)

<table>
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</table>

**Situs:** 4705 S SOUTH EXPWY 83/77  
**RefID 2:**  
**Legal:** LOT 1 BLK A LOWE'S HARLINGEN COMMERCIAL SUBDIVISION (C1 2712-B & 2713-A CCMR)  
**Entities:** CAD, CHG, GCC, IHG, SD3, SPN, SST, THG2, T  
**Exemptions:**
Appraisal Value Certification

PropID: 240174
Certification Year: 2019
Supplement number: 32
GeoID: 21-6242-0010-0010-00
Owner: LOWE'S HOME CENTERS INC
1000 Lowes Blvd
Mooresville, NC 28117-8520

Situs: 4705 S SOUTH EXPWY 83/77
Ref ID 2:

Legal: LOT 1 BLK A LOWE'S HARLINGEN COMMERCIAL SUBDIVISION (C1 2712-E & 2713-A CCMR)
Entities: CAD, CHG, GCC, IHG, SD3, SPN, SST, THG2, T
Exemptions:

Entity: C.C. Regional Mobility Authority - TIRZ #2 (TR2)

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GROUP: 352
NUMBER: 32
CODE: 42.41
REASON: CHANGE VALUE FOR 2019 AS PER SEC 42.41 OF THE TEXAS PROPERTY TAX CODE AND PURSUANT TO AGREED JUDGMENT CAUSE NO.2019-DCL-5297

PREPARED BY: CAMERON APPRAISAL DISTRICT
PO BOX 1010
2021 AMISTAD DR SAN BENITO TX 78586

VALUE CERTIFIED BY: CHIEF APPRAISER

Ramiro Reza Jr. RPA Real Estate Manager
4/27/2020 2:08:27PM
CAUSE NO. 2019-DCL-5297

LOWES HOME CENTERS INC  

v  

CAMERON APPRAISAL DISTRICT  

IN THE DISTRICT COURT  

197TH JUDICIAL DISTRICT  

CAMERON COUNTY, TEXAS  

AGREED JUDGMENT  

CAME ON TO BE HEARD Lowe's Home Centers, Inc., Plaintiff herein, and the Cameron Appraisal District, Defendant herein, appearing by and through their respective attorneys of record, and announced to the Court that the parties herein desired to resolve and settle the matters in controversy, and avoid the trouble, expense and uncertainty of litigation, and have reached an agreement to that effect. Having heard these announcements and reviewed the evidence and arguments of counsel, the Court is of the opinion that such terms and conditions are well taken and should form the basis of judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the following stipulations are agreed by the parties and entered by the Court as its judgment.

1. The undersigned parties agree and stipulate that bona fide disputes and controversies exist between the parties concerning the market or appraised value of the subject property. These stipulations are entered into by the parties solely for the purpose of compromising and settling their various claims, each as to the other. No other use of this Stipulation may be made by the parties hereto as concerns the claim of either party as to the other, whether having arisen in the past, now pending, or to arise in the future, including, without limitation, subsequent disputes as to the market or appraised value of the subject property within Defendant's appraisal jurisdiction in any subsequent years. This agreement is not intended by either party as an
admission of the market value of the subject property, nor shall same be represented by either
party as to the other, as an admission. Further, the existence, terms, and contents of this Agreed
Judgment shall not be admissible in any judicial or administrative proceeding as against either
party except as may be necessary to enforce the terms and conditions of said judgment, either
party as to the other.

2. Pursuant to § 42.41 of the Texas Property Tax Code Defendant Cameron Appraisal
District shall revise the 2019 appraisal roll to reflect the following appraised value for the
property described in Plaintiff’s pleadings:

<table>
<thead>
<tr>
<th>Property ID</th>
<th>Description</th>
<th>2019 Appraised Value</th>
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</thead>
<tbody>
<tr>
<td>240174</td>
<td>Lowe’s of Harlingen</td>
<td>$3,300,000</td>
</tr>
</tbody>
</table>

3. The undersigned parties shall, as soon as possible following execution of this
agreement, do, or cause their attorneys to do, whatever is reasonably necessary to effect this
agreement, including compliance with the provisions of §§ 42.41 through 42.43 of the Texas
Property Tax Code.

4. The parties herein acknowledge that § 42.43, Texas Property Tax Code, provides for
payment of interest on any refund made as a result of a final determination of an appeal which
decreases a property owner’s tax liability; however, Plaintiff and any refund designee hereby
agree to waive any such applicable right to receive interest on any such refund, provided, that
such refund is delivered to the Plaintiff or its refund designee on or before the 120th day after the
date the Chief Appraiser for Defendant certifies a correction to the appraisal roll reflecting the
revisions to the appraisal roll as set forth in this Agreed Judgment.
5. Texas Property Tax Code § 42.43(f) provides that the final judgment in an appeal may designate to whom and where a refund is to be sent. Accordingly, the refund shall be sent to the following person at the following address:

Pepp Hutcherson PLLC
1301 S. Mopac Expy, Suite 430
Austin, TX 78741

6. All costs and attorney fees are to be borne by the party incurring same.

7. All other relief not specifically granted herein is denied.

8. This judgment finally disposes of all claims and all parties.

Signed this ______ day of ____________________________, 2020

JUDGE PRESIDING

FILED
2019-DCL-05207
April 24, 2020 4:34 pm
ELVIRA S. ORTIZ
CAMERON COUNTY DISTRICT CLERK
BY: Zepeda, Ezequiel
APPROVED AS TO FORM AND SUBSTANCE:

POPP HUTCHESON PLLC
1301 S. Mopac, Suite 430
Austin, Texas 78746
(512) 473-2611 - Telephone
(512) 479-8013 - Facsimile

Mark Hutcheson
State Bar No. 00796805
Mark.Hutcheson@property-tax.com

Daniel Smith
State Bar No. 24013525
Daniel.Smith@property-tax.com

Gregory M. Hart
State Bar No. 24036734
Greg.Hart@property-tax.com

ATTORNEYS FOR PLAINTIFF

LOW SWINNEY EVANS & JAMES, PLLC
3305 Northland Drive, Suite 500
Austin, Texas 78731
(512) 379-5800
(512) 476-6685 (fax)

By: ________________________________
James R. Evans, Jr.
State Bar No. 06721500
jevans@isejlaw.com

ATTORNEY FOR DEFENDANT
## Agenda Item

**Presentation by Carr, Riggs & Ingram, CPA(s) and Advisors, regarding the City of Harlingen Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018-2019.**

*Attachment: (Finance)*

## Brief Summary:

Presentation of the comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019, presented by Quentin Anderson, Partner at Carr, Riggs & Ingram, CPA(s). Quentin Anderson, CPA presented the CAFR to the audit committee on Thursday May 14, 2020.

## Funding (if applicable):

Are funds specifically designated in the current budget for the full amount? □ Yes □ No*

*If no, specify source of funding and amount requested:

Finance Director's approval: **X** Yes □ No □ N/A

## Staff Recommendation:

Staff Recommendation:

City Manager's approval: □ Yes □ No □ N/A

## Comments:

City Attorney's approval:

5/15/20
City of Harlingen, Texas
Report to the City Commission

Overview of the Comprehensive Annual Financial Report 2019

Presented by:
Quentin Anderson, CPA, Partner

This report is intended solely for the use of the City Commission and management.
Certificate of Achievement for Excellence in Financial Reporting

Presented to
City of Harlingen
Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2018

Executive Director/CEO

CARR, RIGGS & INGRAM, LLC
Executive Summary

- We have audited the basic financial statements of the:
  - Primary government
    - Governmental activities – police, fire, public works, public services, administration
    - Business-type activities – golf course, municipal auditorium, museum, sanitation
  - Aggregate discretely presented component units
    - Harlingen Economic Development Corporation
    - Harlingen Community Improvement Board
    - Harlingen Waterworks System
    - Valley International Airport
What does the Auditor’s Report say?

We issued two “opinions” in the audit this year

• **Page 34, 1st paragraph** – an “unmodified” opinion on the basic financial statements

• **Page 327, 1st paragraph** – an “unmodified” opinion on the City’s compliance for each major program and on internal control over compliance required by the Uniform Guidance

• **Page 329** – Schedule of Findings and Questioned Costs
Fiscal Year 2019 Financial Highlights
Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position – Primary Government

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets and Deferred Outflows of Resources</th>
<th>Liabilities and Deferred Inflows of Resources</th>
<th>Net Position</th>
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<td>2019</td>
<td>$215,997,860</td>
<td>$110,453,266</td>
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<td>$73,923,440</td>
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Revenue Comparison – Primary Government

Total Governmental Revenues by year, not including transfers.
### Revenue Analysis – Governmental activities

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<td>Capital grants and contributions</td>
<td>$1,436,215</td>
<td>$1,994,980</td>
<td>$1,202,490</td>
<td>$435,218</td>
<td>$1,258,973</td>
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<tr>
<td>Unrestricted investment earnings</td>
<td>$693,991</td>
<td>$664,469</td>
<td>$221,539</td>
<td>$48,058</td>
<td>$24,939</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$5,800,670</td>
<td>$4,675,508</td>
<td>$5,480,823</td>
<td>$5,206,577</td>
<td>$5,747,547</td>
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<tr>
<td>Operating grants and contributions</td>
<td>$3,563,454</td>
<td>$3,213,450</td>
<td>$3,395,347</td>
<td>$3,617,370</td>
<td>$2,106,140</td>
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<tr>
<td>Hotel/motel taxes</td>
<td>$1,176,685</td>
<td>$1,020,447</td>
<td>$954,465</td>
<td>$997,629</td>
<td>$1,024,253</td>
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<tr>
<td>Assessments</td>
<td>$1,731,379</td>
<td>$1,473,276</td>
<td>$230,704</td>
<td>$321,220</td>
<td>$310,712</td>
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<td>Franchise taxes</td>
<td>$3,258,465</td>
<td>$3,300,630</td>
<td>$3,268,621</td>
<td>$3,077,871</td>
<td>$3,143,126</td>
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<tr>
<td>Sales taxes</td>
<td>$19,199,840</td>
<td>$18,902,745</td>
<td>$17,611,023</td>
<td>$16,878,582</td>
<td>$16,522,227</td>
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<tr>
<td>Property taxes</td>
<td>$19,361,145</td>
<td>$18,540,873</td>
<td>$18,311,486</td>
<td>$18,125,203</td>
<td>$17,472,095</td>
</tr>
<tr>
<td>Gain (loss) on sale of asset</td>
<td>$62,328</td>
<td>$77,611</td>
<td>$263,501</td>
<td>$68,951</td>
<td>$(33,986)</td>
</tr>
</tbody>
</table>

Sources of the City's revenues from governmental activities, not including transfers.
### Revenue Analysis – Business-type activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditorium</td>
<td>$222,427</td>
<td>$231,088</td>
<td>$179,019</td>
<td>$235,667</td>
<td>$673,785</td>
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<tr>
<td>Museum</td>
<td>$4,466</td>
<td>$7,265</td>
<td>$10,346</td>
<td>$6,473</td>
<td>$10,086</td>
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<tr>
<td>Golf Course</td>
<td>$864,126</td>
<td>$867,312</td>
<td>$982,507</td>
<td>$925,723</td>
<td>$958,504</td>
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<td>Sanitation</td>
<td>$10,170,016</td>
<td>$9,613,813</td>
<td>$10,317,512</td>
<td>$9,190,747</td>
<td>$9,937,607</td>
</tr>
</tbody>
</table>

City’s business-type activities operating and non operating revenues, not including transfers of capital contributions
Expenditure Analysis – Governmental Activities

2018
- $6,789,573 13%
- $3,015,071 6%
- $1,075,864 2%
- $6,106,202 11%

Total: $27,253,084 52%

2019
- $7,140,359 13%
- $7,294,692 12%
- $5,051,305 9%
- $7,241,780 12%
- $1,327,436 2%

Total: $30,539,817 51%

- GENERAL GOVERNMENT
- HIGHWAYS AND STREETS
- COMMUNITY AND ECONOMIC DEVELOPMENT
- PUBLIC SAFETY
- HEALTH AND WELFARE
- CULTURE AND RECREATION
- INTEREST ON LONG TERM DEBT

CARR, RIGGS & INGRAM, LLC

Pg 55 of 2019 CAFR
Expenditure Analysis – Business-type Activities

2018

$7,787,138 81%
$1,207,326 12%
$117,026 1%
$538,451 6%
$1,207,326 12%

2019

$8,023,251 81%
$1,269,646 13%
$508,307 5%
$137,895 1%
$1,269,646 13%

- SANITATION SERVICES
- GOLF COURSE SERVICES
- MUSEUM SERVICES
- AUDITORIUM SERVICES

CARR, RIGGS & INGRAM, LLC
TODAY’S PRESENTER

Quentin Anderson, CPA, Partner
Harlingen, Texas
(956) 423-3765
qanderson@cricpa.com

Text CRI to 66866 to receive CRI News and Alerts.

CARR, RIGGS & INGRAM, LLC
**AGENDA ITEM**
**EXECUTIVE SUMMARY**

Meeting Date: **May 20, 2020**

**Agenda Item:**
Consider and take action to adopt a resolution authorizing the Mayor, on behalf of the City of Harlingen, to submit a grant application in reference to the Coronavirus Emergency Supplemental Funding (CESF) Program FY 20 from the Office of the Governor, Public Safety Office – Criminal Justice Division.

**Prepared By (Print Name):** Michael Kester  
**Title:** Chief of Police  
**Signature:**

**Brief Summary:**
The Harlingen Police Department will be utilizing the FY 20 Coronavirus Emergency Supplemental Funding (CESF) funds to purchase personal protective equipment and fund Covid-19 overtime assignments to prevent, prepare for and respond to the coronavirus pandemic.

**Funding (if applicable):**
Are funds specifically designated in the current budget for the full amount for this purpose?  
*Yes* **X** No*  
*If no, specify source of funding and amount requested: The source of funding will be the Office of the Governor, Public Safety Office.*

Finance Director’s approval:  

**Staff Recommendation:**
Staff recommends that we submit an application to secure funding for personal protective equipment and overtime covid-19 funds.

**City Manager’s approval:**

**Comments:**

**City Attorney’s approval:**

*form revised 01/26/09*
RESOLUTION NO.  

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS AUTHORIZING THE HARLINGEN POLICE DEPARTMENT TO SUBMIT A GRANT APPLICATION IN REFERENCE TO THE CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING (CESF) PROGRAM FY 20 FROM THE OFFICE OF THE GOVERNOR, PUBLIC SAFETY OFFICE – CRIMINAL JUSTICE DIVISION.

WHEREAS, in conjunction with the National Emergency Declaration issued by President Trump and Governor Abbott’s Declaration of Disaster on March 13, 2020, and out of an abundance of caution to limit or reduce the spread of COVID-19 in Cameron County.

WHEREAS, the County of Cameron Judge, Eddie Trevino Jr. has issued a proclamation declaring a state of disaster for Cameron County on March 16, 2020 resulting from the coronavirus – COVID-19 health emergency.

WHEREAS, the City of Harlingen finds it in the best interest of the citizens of Harlingen, Texas and the region, that the City of Harlingen allow its local police department to utilize the funding allocated to prevent, prepare for, and respond to the coronavirus pandemic.

WHEREAS, the City Commission of the City of Harlingen designates City Manager Dan Serna as the authorized official to apply for, accept, reject, alter or terminate funding of said grant.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS: that the City Commission approves the submission of an application in reference to the Coronavirus Emergency Supplemental Funding (CESF) Program FY 20 from the Office of the Governor, Public Safety Office – Criminal Justice Division.

CONSIDERED AND ADOPTED this ___ day of ____________, 2020, at a regular meeting of the Elective Commission of the City of Harlingen, Texas, at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

CITY OF HARLINGEN:

________________________
Chris Boswell, Mayor

ATTEST:

________________________
Amanda Elizondo, City Secretary
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consider and take action to adopt a resolution to authorize the Mayor, on behalf of the City of Harlingen, to submit a grant application in reference to the Coronavirus Emergency Supplemental Funding (CESF) Program FY 20 from the Department of Justice – Bureau of Justice Assistance.

Prepared By (Print Name): Michael Kester
Title: Chief of Police
Signature:

Brief Summary:
The Harlingen Police Department will be utilizing the FY 20 Coronavirus Emergency Supplemental Funding (CESF) funds to purchase personal protective and training equipment to prevent, prepare for and respond to the coronavirus pandemic.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount for this purpose? Yes [X] No*
*If no, specify source of funding and amount requested: The source of funding will be the Department of Justice – Bureau of Justice Assistance
Finance Director’s approval: [ ] Yes [ ] No [ ] N/A

Staff Recommendation:
Staff recommends that we submit an application to secure funding for personal protective and training equipment.

City Manager’s approval: [ ] Yes [ ] No [ ] N/A

Comments:

City Attorney’s approval: [X] Yes [ ] No [ ] N/A

form revised 01/26/09
RESOLUTION NO.  

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS AUTHORIZING THE HARLINGEN POLICE DEPARTMENT TO SUBMIT AN APPLICATION IN REFERENCE TO THE CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM FY 20 FORMULA GRANT SOLICITATION FROM THE DEPARTMENT OF JUSTICE – BUREAU OF JUSTICE ASSISTANCE.

WHEREAS, in conjunction with the National Emergency Declaration issued by President Trump and Governor Abbott’s Declaration of Disaster on March 13, 2020, and out of an abundance of caution to limit or reduce the spread of COVID-19 in Cameron County.

WHEREAS, the County of Cameron Judge, Eddie Trevino Jr. has issued a proclamation declaring a state of disaster for Cameron County on March 16, 2020 resulting from the coronavirus – COVID-19 health emergency.

WHEREAS, the City of Harlingen finds it in the best interest of the citizens of Harlingen, Texas and the region, that the City of Harlingen allow its local police department to utilize the funding allocated to prevent, prepare for, and respond to the coronavirus pandemic.

WHEREAS, the City Commission of the City of Harlingen designates City Manager Dan Serna as the authorized official to apply for, accept, reject, alter or terminate funding of said grant.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS: that the City Commission approves the submission of an application in reference to the Coronavirus Emergency supplemental funding program FY 20 formula grant solicitation from the Department of Justice – Bureau of Justice Assistance.

CONSIDERED AND ADOPTED this ___ day of _____________, 2020, at a regular meeting of the Elective Commission of the City of Harlingen, Texas, at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

CITY OF HARLINGEN:

__________________________
Chris Boswell, Mayor

ATTEST:

__________________________
Amanda Elizondo, City Secretary
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consideration and possible action to approve a resolution authorizing the Mayor on behalf of Harlingen Fire Department to submit a resolution as part of the Homeland Security Grant Application process for Year 2020/2021 for $28,750.00 for (1) Polaris Ranger and (1) Firelite Transport Darley for the Regional Hazmat UTV Transport Vehicle Project Grant App #4049401.

Prepared By (Print Name): Rogelio Rubio
Title: Fire Chief

Signature:

Brief Summary:
The Harlingen Fire Department submitted a Homeland Security Grant application to the Local Homeland Security Council in the amount of $28,750.00 for one (1) Polaris Ranger and one (1) Firelite Transport Darley for the Regional Hazmat UTV Transport Vehicle Project Grant App. #4049401. This grant application has now been forwarded to the State Homeland Security Office for further consideration and review. As part of the application process, a resolution is now required to be submitted to the State Homeland Security Office. If approved, and in the event of loss or misuse of the Office of the Governor funds, the City agrees to return the funds to the Office of the Governor in full.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount ☐ Yes ☒ No*
*If no, specify source of funding and amount requested:
Finance Director's approval: ☐ Yes ☐ No ☐ N/A

Staff Recommendation:
Staff recommends approval of the resolution.

City Manager's approval: ☐ Yes ☐ No ☐ N/A

Comments:

City Attorney's approval: ☒ Yes ☐ No ☐ N/A
RESOLUTION NO. 2020-____

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF HARLINGEN, ON BEHALF OF THE HARLINGEN FIRE DEPARTMENT, TO SUBMIT A RESOLUTION TO THE OFFICE OF THE GOVERNOR OF HOMELAND SECURITY GRANTS DIVISION MADE AVAILABLE THROUGH FY 2020/2021 STATE HOMELAND SECURITY PROGRAM (SHSP) AS PART OF THE APPLICATION PROCESS FOR $28,750.00 for ONE (1) POLARIS RANGER AND ONE (1) FIRELITE TRANSPORT DARLEY FOR THE REGIONAL HAZMAT UTV TRANSPORT VEHICLE PROJECT GRANT APP #4049401.

WHEREAS, The City of Harlingen finds it in the best interest of the citizens of Harlingen and Cameron County, that the Harlingen Fire Department submit a resolution as part of the application process for a grant to the Office of the Governor of Homeland Security Grants Division for $28,750.00 for one (1) Polaris Ranger and one (1) Firelite Transport Darley for the Regional Hazmat UTV Transport Vehicle Project Grant App #4049401.

WHEREAS, The City of Harlingen agrees that in the event of loss or misuse of the Office of the Governor funds, The City of Harlingen assures that the funds will be returned to the Office of the Governor in full;

WHEREAS, The City of Harlingen designates the City Manager as the grantee official to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW, THEREFORE, BE IT RESOLVED that The City of Harlingen approves submission of the resolution as part of the grant application process for $28,750.00 for one (1) Polaris Ranger and one (1) Firelite Transport Darley for the Regional Hazmat UTV Transport Vehicle Project Grant App #4049401.

CONSIDERED AND ADOPTED this 20th day of May, 2020 at a regular meeting of the Elective Commission of the City of Harlingen, Texas, at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, CHAPTER 551.

CITY OF HARLINGEN

__________________________
Chris Boswell, Mayor

ATTEST

__________________________
Amanda C. Elizondo, City Secretary
<table>
<thead>
<tr>
<th>Name of Applicant</th>
<th>City of Harlingen</th>
</tr>
</thead>
</table>
| Funding Source    | □ LETPA  
□ SHSP  |
| Project Title     | Regional Hazmat UTV Transport Vehicle - Grant App # 4049401 |
| Amount Requested  | $54,500.00 |
| Your grant application was: | □ Selected  
□ Not Selected |

If your project was Selected, please note that your grant project application is conditionally approved until the Office of the Governor's Homeland Security Grants Division makes the FINAL approval. You are responsible for following through with this project application and must respond to inquiries and e-mail notifications from the HSGD in order to successfully complete the funding process.

| Conditionally Amount Approved | $28,750.00 |
| Conditionally Approved Equipment | (1) Polaris Ranger; (1) Firelite Transport Darley |

If your project was Not Selected, the reason is:

- □ your jurisdiction/agency did not attend a COG grant workshop as mandated by the Homeland Security Grants Division
- □ you did not meet one (or more) of the necessary requirements as stated in the Homeland Security Advisory Committee's Policy Manual for Grants FY 2020-21
- □ regional funding allocation was insufficient to cover funding for this project

Comments: The Homeland Security Grants Division may contact you in regards to revisions to your application. Please be sure to comply promptly. Thank you.

If you have any questions regarding this process, please feel free to contact: Juanita (Jayni) Saenz, Program Supervisor - LRGVDC Homeland Security Program  
jsaenz@lrgvdc.org or (956) 682-3481 x157 pr (956) 832-3680 C
### AGENDA ITEM
#### EXECUTIVE SUMMARY

**Meeting Date:** May 20, 2020

**Agenda Item:**
Consider and possible action to approve a Resolution finding that AEP Texas Inc.’s Application to amend its Distribution Cost Recovery Factors to increase distribution rates within the city should be denied.

**Prepared By (Print Name):** Gabriel Gonzalez  
**Title:** Assistant City Manager

**Signature:**

**Brief Summary:**
On April 3, 2020 AEP Texas filed an Application for Approval of a Distribution Cost Recovery Factor. In the filing, AEP is seeking an increase in distribution revenues of $39.87 million, an increase of approximately $1.83 to the average residential customer’s bill from the rates recently approved in the company’s rate case. Cities will engage the services of Karl Nalepa to review the Company’s filing. Mr. Nalepa will conduct discovery and identify adjustments that should be made to the Company’s request.

The City of Harlingen has original jurisdiction and will need to adopt the Resolution no later than June 2, 2020.

**Funding (if applicable):**

Are funds specifically designated in the current budget for the full amount [ ] Yes [ ] No*  

*If no, specify source of funding and amount requested:
N/A

Finance Director’s approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**

Staff recommends approval.

For Street Closures ONLY, Fire Chief’s approval: [ ] Yes [ ] No [ ] N/A

City Manager’s approval: [ ] Yes [ ] No [ ] N/A

*Comments:*

City Attorney’s approval: [ ] Yes [ ] No [ ] N/A

5/14/20
On April 3, 2020, AEP Texas Inc. ("AEP" or "Company") filed an Application to Amend its Distribution Cost Recover Factors ("DCRF") to Increase Distribution Rates with each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in distribution revenues of approximately $39.87 million (an approximately $1.83 increase to the average residential customer’s bill from the rates just approved in the Company’s rate case).

The resolution authorizes the City to join with the Cities Served by AEP ("Cities") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

**Purpose of the Resolution:**

The purpose of the Resolution is to deny the DCRF application proposed by AEP.

**Explanation of “Be It Resolved” Paragraphs:**

1. This section authorizes the City to participate with Cities as a party in the Company’s DCRF filing, PUC Docket No. 50733.

2. This section authorizes the hiring of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates. Additionally, it authorizes Cities to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

3. This paragraph finds that the Company’s application is unreasonable and should be denied.

4. This section states that the Company’s current rates shall not be changed.

5. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by Cities will submit monthly invoices that will be forwarded to AEP for reimbursement.

6. This section recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

7. This section provides that AEP and counsel for Cities will be notified of the City’s action by sending a copy of the approved and signed Resolution to counsel.
RESOLUTION NO. 2020 -

A RESOLUTION OF THE CITY OF HARLINGEN, TEXAS FINDING THAT AEP TEXAS INC.'S APPLICATION TO AMEND ITS DISTRIBUTION COST RECOVERY FACTORS TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH THE CITIES SERVED BY AEP TEXAS; AUTHORIZING HIRING OF LEGAL COUNSEL; FINDING THAT THE CITY’S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Harlingen, Texas ("City") is an electric utility customer of AEP Texas Inc. ("AEP" or "Company"), and a regulatory authority with an interest in the rates and charges of AEP; and

WHEREAS, the City is a member of the Cities Served by AEP ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP’s service area; and

WHEREAS, on or about April 3, 2020 AEP filed with the City an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 50733, seeking to increase electric distribution rates by approximately $39.87 million (an approximately $1.83 increase to the average residential customer’s bill from the rates just approved in the Company’s rate case); and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of AEP’s DCRF filing with designated attorneys and consultants to resolve issues in the Company’s application; and

WHEREAS, Cities members and attorneys recommend that members deny the DCRF.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HARLINGEN, TEXAS:

Section 1. That the City is authorized to participate with Cities in PUC Docket No. 50733.

Section 2. That subject to the right to terminate employment at any time, the City of Harlingen hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by AEP to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by AEP within 30 days of presentation of an invoice to AEP.
Section 6. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this resolution shall be sent to Melissa Gage, American Electric Power Service Corporation, 400 West 15th Street, Suite 1520, Austin, Texas 78701 and to Thomas Brocato, General Counsel to the Cities, at Lloyd Gosselink Rochelle & Townsend, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this 20th day of May, 2020.

ATTEST:

Amanda C. Elizondo, City Secretary

APPROVED AS TO FORM:

Ric J. Navarro, City Attorney

CITY OF HARLINGEN

Chris Boswell, Mayor
<table>
<thead>
<tr>
<th>Meeting Date:</th>
<th>May 20, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agenda Item:</strong></td>
<td>Consider and possible action to approve a contract agreement for consulting services to develop a Regional 5 Year Consolidated and Strategic Plan.</td>
</tr>
<tr>
<td>Prepared By (Print Name):</td>
<td>Gabriel Gonzalez</td>
</tr>
<tr>
<td>Title:</td>
<td>Assistant City Manager</td>
</tr>
<tr>
<td>Signature:</td>
<td>Gabriel Gonzalez</td>
</tr>
<tr>
<td><strong>Brief Summary:</strong></td>
<td>At the City Commission meeting held on February 9, 2020, the City Commission approved a Memorandum of Understanding between the Cities of Brownsville, San Benito and Harlingen to establish a general working agreement to consolidate resources in the establishment of a Regional Consolidated Plan and Strategy as required by the U.S. Department of Housing and Urban Development. The attached Contract Agreement between the Cities of Brownsville, Harlingen, San Benito and TDA Consulting will create the 5 Year Consolidated Plan. The Cities will share the expense for this and Harlingen’s portion will be less than $18,200. Staff recommends approval.</td>
</tr>
<tr>
<td><strong>Funding (if applicable):</strong></td>
<td></td>
</tr>
<tr>
<td>Are funds specifically designated in the current budget for the full amount</td>
<td>Yes</td>
</tr>
<tr>
<td>*If no, specify source of funding and amount requested:</td>
<td>N/A</td>
</tr>
<tr>
<td>Finance Director’s approval:</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Staff Recommendation:</strong></td>
<td></td>
</tr>
<tr>
<td>For Street Closures ONLY, Fire Chief’s approval:</td>
<td>Yes</td>
</tr>
<tr>
<td>City Manager’s approval:</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Comments:</strong></td>
<td></td>
</tr>
<tr>
<td>City Attorney’s approval:</td>
<td>Yes</td>
</tr>
</tbody>
</table>
CONTRACT AGREEMENT FOR CONSULTING SERVICES TO DEVELOP REGIONAL 5-YEAR CONSOLIDATED AND STRATEGIC PLAN
#RCP-12-0220

This Agreement is entered into as of March 17, 2020 between The City of Brownsville, City of Harlingen, City of San Benito Texas, collectively hereinafter referred to as (“CITY”) and TDA Consulting, Inc. hereinafter referred to as (“CONSULTANT”).

1. Documents
(a) The following documents (collectively, “Contract Documents”) are hereby incorporated into and made part of this Agreement.
   i. Scope of Services, Conditions and Additional Services (Exhibit A)
   ii. Term of Agreement and Time Line (Exhibit B)
   iii. Compensation, Fees and Commissions, Cost Allocation per City (Exhibit C)
   iv. Special Provisions (Exhibit D)
   v. Insurance (Exhibit E)

2. Scope of Services
(a) CONSULTANT shall perform the Services under this agreement upon written request orders by CITY. Unless otherwise specified in a project request, CONSULTANT and CITY agree that the scope of work is deemed to include preliminary considerations and prerequisites, and all tasks which are an integral and inseparable part of the work described in the Contract Documents or by separate written request.
(b) The Community Development Block Grant Program (CDBG) was authorized under Title I of the Housing and Community Development Act of 1974. Participating local governments receive an annual allocation of CDBG funds. The grant amounts are determined by formula established through federal regulations. The primary objectives of the CDBG Program are the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.
(c) CITY agrees to coordinate their efforts and resources in the development of the Regional 2020-2025 Consolidated Plan and Strategy (CPS) and individual 2020-2021 Annual Action Plans (AAP) as well as complete an Analysis of Impediments (AI) to fair housing, as required by the Federal Consolidated Plan Final Rule as amended at 24 CFR Part 91, and other requirements set forth by federal regulations and the U.S. Department of Housing and Urban Development (HUD) Office of Planning and Community Development(CPD). By signing this Agreement, CONSULTANT represents that it has thoroughly reviewed the
(d) Contract Documents incorporated into this Agreement, including but not limited to “Exhibit A” Scope of services and that it accepts the description of the Work and the conditions under which the Work is to be performed and completed.

3. Independent CONSULTANT; Personnel
(a) CONSULTANT enters into this Agreement as, and shall continue to be, an independent CONSULTANT. All Services shall be performed only by CONSULTANT and CONSULTANT’s employees. Under no circumstances shall CONSULTANT, or any of CONSULTANT’s employees, look to CITY as his/her employer, or as a partner, agent or principal. Neither CONSULTANT, nor any of CONSULTANT’s employees, shall be entitled to any benefits accorded to CITY’s employees, including without limitation worker’s compensation, disability insurance, vacation or sick pay. CONSULTANT shall be responsible for providing, at CONSULTANT’s expense, and in CONSULTANT’s name, unemployment, disability, worker’s compensation and other insurance, as well as any and all licenses and permits usual or necessary for conducting the Services. CONSULTANT shall be responsible for paying all applicable local, state and federal taxes.
(b) CONSULTANT represents and warrants to CITY that its employees performing Work hereunder will have sufficient expertise, training, licensure (if applicable) and experience to accomplish the Services.
4. Term of Agreement.

The initial contract period shall commence after approval by city commission and the signatures of all City Managers and shall end or be extended upon the terms specified in Contract Documents "Exhibit B". The term or any continuation of this Agreement shall be subject to both the appropriation and the availability of funds by CITY.

5. Compensation.

(a) CONSULTANT agrees that compensation for services shall be as specified in the Contract Documents "Exhibit C". It is acknowledged and agreed by CONSULTANT that compensation as enumerated in Exhibit C constitutes a limitation upon CITY's obligation to compensate CONSULTANT for CONSULTANT's services pursuant and related to this Agreement but it does not constitute a limitation of any sort upon CONSULTANT's obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services.

(b) CONSULTANT may submit invoices for compensation no more often than monthly, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and/or the goods provided. Notwithstanding any provision of this Agreement to the contrary, CITY may withhold, in whole or in part, payment to the extent necessary to protect itself from loss on account of inadequate or defective work that has not been remedied or resolved in a manner satisfactory to the CITY's Contract Administrator or failure to comply with this Agreement. The amount withheld shall not be subject to payment of interest by CITY.

6. Insurance.

(a) The CONSULTANT shall furnish proof of insurance requirements as specified in Contract Documents "Exhibit E". The coverage is to remain in force at all times during the contract period and the minimum insurance coverage is required. The commercial general liability insurance policy shall name the City of Brownsville, Texas, as an "additional insured." This MUST be written in the description section of the insurance certificate, even if there is a check-off box on the insurance certificate. Any costs for adding the City as "additional insured" shall be at the CONSULTANT's expense.

(b) The CITY shall be given notice 10 days prior to cancellation or modification of any required insurance. The insurance provided shall be endorsed or amended to comply with this notice requirement. In the event that the insurer is unable to accommodate, it shall be the responsibility of the CONSULTANT to provide the proper notice. Such notification will be in writing by registered mail, return receipt requested and addressed to the Procurement Services Division.

(c) The CONSULTANT's insurance must be provided by an A.M. Best's "A-"rated or better insurance company authorized to issue insurance policies in the State of Texas, subject to approval by the City of Brownsville Department of Safety and Risk Management. Any exclusions or provisions in the insurance maintained by the CONSULTANT that excludes coverage for work contemplated in this solicitation shall be deemed unacceptable, and shall be considered breach of contract.

7. Termination.

(a) Termination for Cause. The aggrieved party may terminate this Agreement for cause if the party in breach has not corrected the breach within ten (10) days after written notice from the aggrieved party identifying the breach. CITY may also terminate this Agreement upon such notice as the CITY deems appropriate under the circumstances. The parties agree that if the CITY erroneously, improperly or unjustifiably terminates for cause, such termination shall be deemed a termination for convenience, which shall be effective thirty (30) days after such notice of termination for cause is provided.

This Agreement may be terminated for cause for reasons including, but not limited to, CONSULTANT's repeated (whether negligent or intentional) submission for payment of false or incorrect bills or invoices, failure to perform the Work to CITY's satisfaction, or failure to continuously perform the work in a manner calculated to meet or accomplish the objectives as set forth in this Agreement.
(b) **Termination for Convenience.** CITY reserves the right, in its best interest as determined by the CITY, to cancel this contract for convenience by giving written notice to the CONSULTANT at least thirty (30) days prior to the effective date of such cancellation. In the event this Agreement is terminated for convenience, CONSULTANT shall be paid for any services performed to CITY's satisfaction pursuant to the Agreement through the termination date specified in the written notice of termination. CONSULTANT acknowledges and agrees that he/she/it has received good, valuable and sufficient consideration from CITY, the receipt and adequacy of which are hereby acknowledged by CONSULTANT, for CITY's right to terminate this Agreement for convenience.

(c) **Cancellation for Non-appropriated Funds.** CITY reserves the right, in its best interest as determined by the CITY, to cancel this contract for non-appropriated funds or unavailability of funds by giving written notice to the CONSULTANT at least thirty (30) days prior to the effective date of such cancellation. The obligation of CITY for payment to a CONSULTANT is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise provided by law.

(d) **Force Majeure.** CITY and CONSULTANT will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:
   
i. The non performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;
   
ii. The excuse of performance is of no greater scope and of no longer duration than is reasonably necessary when considered in light of the Force Majeure;
   
iii. No obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and
   
iv. The non-performing party uses its best efforts to remedy its inability to perform.
   
v. Notwithstanding the above, performance shall not be excused under this Section for a period in excess of sixty (60) days, provided that in extenuating circumstances, CITY may excuse performance for a longer term. Economic hardship of the CONSULTANT will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

8. **Materiality and Waiver of Breach.**

(a) CITY and CONSULTANT agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and that each is, therefore, a material term hereof. CITY's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

9. **Miscellaneous Provisions.**

(a) **Successors and Assigns.** All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, if any, successors, and assigns.

(b) **Choice of Law.** The laws of the state of Texas shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto.

(c) **No Waiver of Governmental Immunity.** NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO WAIVE CITY'S GOVERNMENTAL IMMUNITY FROM LAWSUIT, WHICH IMMUNITY IS EXPRESSLY RETAINED TO THE EXTENT IT IS NOT CLEARLY AND UNAMBIGUOUSLY WAIVED BY STATE LAW.
(d) **Assignment.** CONSULTANT shall not assign any of CONSULTANT’s rights under this Agreement, or delegate the performance of any of CONSULTANT’s duties hereunder, without the prior consent of CITY.

(e) **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties hereto.

(f) **Venue.** This Agreement and any and all matters arising directly or indirectly hereunder shall be governed by and construed and enforced in accordance with the Laws of the State of Texas, in the Federal and State Courts of Cameron County, Texas having jurisdiction. If at any time there is a dispute between or among the Parties with respect to any matter arising directly or indirectly from this Agreement (an "Agreement Matter"), the Parties agree that, prior to seeking judicial remedy, they will engage in face-to-face negotiations in an attempt to resolve such dispute and shall, upon failing to negotiate a mutually-satisfactory resolution, choose a mutually agreeable neutral third party to mediate such dispute. Mediation shall be non-binding and shall be confidential.

(g) **Notices.** Any and all notices, demands, or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party if personally served, or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand or other communication is given by mail, such notice shall be conclusively deemed given five days after deposit thereof in the United States mail addressed to the party to whom such notice, demand or other communication is to be given as follows:

If to CONSULTANT:

TDA Consulting, Inc.
17 Caleb Cir.
San Antonio, Texas, 78258

If to Lead CITY:

City of Brownsville
Efren Trujillo, Office of Strategic Initiatives
1150 E Adams St 3rd Floor. Brownsville, Texas 78520
Email: efren.trujillo@cob.us

If to Partner CITY:

City of Harlingen
NAME: Sandee A Woellhof
502 E. Tyler
Harlingen, Texas 78550
Email:swoellhof@myharlingen.us

If to Partner CITY:

City of San Benito
NAME. Elvira Cavazos
401 N. Sam Houston Blvd.
San Benito, Texas 78586
Email:ecavazos@cityofsanbenito.com

Any party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

(h) **Entire Understanding.** This document and any exhibit attached constitute the entire understanding and agreement of the parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.

(i) **Unenforceability of Provisions.** If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above.
CITY OF BROWNSVILLE

Signature: ____________________________________________
Print Name: ____________________________________________
Title: ____________________________________________
Date: ____________________________________________

CITY OF HARLINGEN

Signature: ____________________________________________
Print Name: Dan Serna
Title: City Manager
Date: May 5, 2020

CITY OF SAN BENITO

Signature: Benjamin Gomez
Print Name: Benjamin Gomez
Title: Mayor
Date: 3-30-20

TDA Consulting, Inc.

Signature: _________________
Print Name: Dione Roberts
Title: President/CEO
Date: 3-16-2020
EXHIBIT A

Basic Services:

SCOPE OF WORK:
The Consolidated Plan and Strategy (Con Plan) provides an integrated, five-year guide to city officials, staff, and community members in utilizing HUD and other resources to provide affordable housing, a suitable living environment, and expanded community and economic development opportunities to low, very low, and extremely low-income residents.

This Consolidated Plan and Strategy will cover the period from fiscal year 2020-21 through 2024-25 (October 1, 2020 – September 30, 2025), and builds on the current Consolidated Plan and Strategy, covering fiscal years 2015-16 through 2019-20. (Copy furnished upon request.)

The Con Plan will be developed in consultation with the cities of Brownsville's, Harlingen's, and San Benito's Community Development staff, fellow City Departments, community service providers, consumers, residents, the private sectors, and other stakeholders. The Con Plan will incorporate Priority Needs, Priority Objectives, Implementation Goals, and Proposed Activities for four (4) HUD-funded programs for which the City receives formula-based annual entitlement grants, namely:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grants (ESG)
- Housing Opportunities for Persons With AIDS/HIV (HOPWA)

The specific requirements for the Consolidated Plan can be found in the Code of Federal Regulations, Title 24, Section 91, et. seq. (24 CFR 91). Guidance for preparing a Consolidated Plan submission and resources can be found at the HUD Exchange website.

Specific tasks shall include, at minimum:

Organizational

- Prepare a timeline for project milestones including proposed community meetings, commission meeting(s), and City Council meeting(s). The deadline to submit the Consolidated Plan and Strategy to HUD is no less than 45 days prior to start of City's Fiscal Year, October 1, 2020.
- Meet with CITY staff and conduct presentations at City Council meetings as directed and consulted with CITY.
- CONSULTANT will be responsible for making any revisions required by HUD after submission.

Needs Assessment:

- Review current HUD Consolidated Plan regulations and guidance, particularly changes made since 2015.
- Conduct no less than three (3) community meetings with community stakeholders, business community, housing agencies, social service agencies, CHDO representatives, and City departments utilizing HUD funds for projects, and other organizations or individuals deemed appropriate.
- Develop and circulate at least one (1) community survey in English and Spanish as consulted and directed by CITY.
- Perform a community Needs Assessment as necessary to develop new five (5)-year strategies, goals, priorities, and programs incorporating factual data and public input collected to support those recommendations.
- Gather factual and broad community input through citizen participation and data collection to complete the required HUD tables and analysis of housing and non-housing needs.
• Perform relevant consultations with private agencies, public agencies, and community groups as required.
• Develop and incorporate a performance measurement component as required by HUD regulations.
• Develop maps of key data elements such as income, housing, and racial characteristics.
• Analyze the data tables provided by the IDIS ConPlan template, which has been pre-populated with default data from the US census, CHAS and American Community Survey, and provide additional data collection as necessary.
• Using data, reports, documents and information collected develop written Needs Assessment and Market Analysis in format required by HUD.
• Adjust Needs Assessment and Market Analysis from HUD eCon Planning Suite submission document to one suitable for public distribution and comment.
• Prepare an Executive Summary for the Consolidated Plan.
• Include any relevant components of the ConPlan under 24 CFR Part 91, not listed above.
• Complete other additional actions as required by HUD.
• Develop an Analysis of Impediments to Fair Housing Choice for each entity.
• Assess the need for broadband and natural hazards analysis.

Preparation of 5-Year Consolidated Plan:

• Prepare the CITY’s draft and final 5-Year Consolidated Plan and Strategy that includes 5-year funding goals, priorities and strategies, along with proposed accomplishments and performance measurements in the eCon Planning Suite in IDIS using the IDIS ConPlan template.
• Prepare maps, tables, charts, illustrations, and photographs to include in the ConPlan.
• Provide internal copies of plan sections to Community Development staff to each city for review and comment before public draft of plan is finalized.
• The draft ConPlan must be in a Word Document that is easily readable by the public. It is our understanding that the eCon Planning Suite version, while meeting the HUD submission requirements, may not be the best document to display or print for public review.
• Provide a resource binder to include, at a minimum, a list of data sources, copy of data collected, consultations, records, and any other supporting documentation used to develop and 5-Year Con Plan.
• Assist Community Development staff in responding to HUD questions or issues throughout the HUD approval process.

CONSULTANT will be responsible for preparing in final form and submitting electronically to HUD all forms and tables in the eCon Planning Suite after review and authorization. CONSULTANT will be responsible for making any revisions required by HUD after submission. CONSULTANT will be responsible for troubleshooting with HUD relative to using the IDIS/eCon Planning Suite software.

Final Work Product:

• CONSULTANT is responsible for submitting thirty (15) draft copies and fifteen (15) revised final copies, digital copies, and reproducible originals of the Consolidated Plan and Strategy.
• CONSULTANT is also responsible for submitting one (1) copy of the final Consolidated Plan and Strategy as a PDF and (1) copy as a Word document to each entitlement.
• CONSULTANT will submit a reproducible copy of all maps, graphics, slide presentations, surveys, and photographs to the City. Presentation materials, such as display boards, slides, videos, etc., shall be submitted to the City.
• All deliverables will become property of the City.
EXCLUSIONS AND CLARIFICATIONS;

CONSULTANT can provide other services if desired, but unless otherwise authorized in a work order or addendum to this contract, the following items will be excluded from our proposal of services:

The responsibilities below fall on the CITY, but not on the CONSULTANT:

1. Host/Provide meeting space for public service workshops, public hearings, community engagement sessions, and/or other scheduled meetings.
2. Provide documents such as:
   - City Fair Housing Ordinances, if any.
   - Racial composition of Boards and Commissions related to Housing, Community Development, Housing and Neighborhood Resources or Code Compliance Department(s)
   - Building Code (web address if online)
   - Zoning Code (web address if online)
   - Latest 5 Year Consolidated Plan
   - Most recent Annual Action Plan
   - Previous Fair Housing Study
   - Program Descriptions for CDBG / HOME Funded Activities
   - CDBG Funded Housing Program Guidelines
   - Housing Program Goals
   - CAPERs, most recently submitted (or program performance info that is going into next CAPER)
   - Contact information for focus group and forum invitee and any person designated for key person interviews (non-profits, housing industry, City staff, housing industry active with the City, etc.)
   - Public Housing Authority Contact Information
   - Public Housing Authority Details (Number of Units, etc.)
   - Public Housing Five Year Plan and Annual Plan
   - Public Housing Program Initiative descriptions
   - Public Housing and Section 8 Program HUD ratings (please include scores for each individual public housing development)
   - CHOO representatives contact Information
   - Point in Time Homeless Survey

3. Assist in development of an invitation list for community forums.
4. Notify all participants of upcoming meetings.

EXHIBIT A
**EXHIBIT B**

**TERM OF AGREEMENT**

This agreement shall automatically terminate once CITY has approved the 5 Year Con Plan by their respective City Commissions and when HUD approves the Regional 2020-2025 CPS, the individual 2020-2021 AAPs, and A1.

**AMENDMENT**

This Agreement may be modified or amended if the amendment is made in writing and is signed by all parties. If it becomes necessary at any time during the term of the Agreement to change the scope of work, the term, the maximum amount payable, the complexity, or the character of this Agreement, an amendment must be prepared and executed within the Agreement period. CITY retains the right to reject any such amendment proposed by the CONSULTANT, unless CITY finds the proposed amendment necessary to complete the work authorized herein. Any such amendments must be made in writing, agreed to by all parties hereto and duly executed before the end of the term as specified. If CITY finds it necessary to require changes in completed work because of errors made by CONSULTANT, CITY shall require the CONSULTANT to correct the work at no cost to CITY and without amendment to the Agreement. If the changes are made at the request of CITY and are not due to errors of the CONSULTANT, CITY will reimburse the CONSULTANT for the additional work at the same hourly rate of pay established in Exhibit C. If payment for the additional work will cause the maximum amount payable to be exceeded, an amendment shall be executed in accordance with the terms of this provision.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Month/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Signed</td>
<td>March, 2020</td>
</tr>
<tr>
<td>Public Meetings</td>
<td>March-May, 2020</td>
</tr>
<tr>
<td>Review of Background Information for Plans</td>
<td></td>
</tr>
<tr>
<td>Determination of Source Data for Plans</td>
<td></td>
</tr>
<tr>
<td>Preparation of Demographic Profiles</td>
<td></td>
</tr>
<tr>
<td>Review of Background Information on Plans Determination of Source</td>
<td></td>
</tr>
<tr>
<td>Documentation</td>
<td></td>
</tr>
<tr>
<td>Source Documentation</td>
<td></td>
</tr>
<tr>
<td>Preparation if Demographic Profiles for both Plans</td>
<td></td>
</tr>
<tr>
<td>Draft Con Plan/Action Plan and Analysis of Impediments due to City's staff</td>
<td>May, 2020</td>
</tr>
<tr>
<td>Review. Revise as requested</td>
<td></td>
</tr>
<tr>
<td>Documents for Public Review</td>
<td>June, 2020</td>
</tr>
<tr>
<td>Public Comment Period/ City Commissions</td>
<td>July, 2020</td>
</tr>
<tr>
<td>Final Draft Cons Plans/Action Plans submitted to City in Paper, electronic format suitable for posting to jurisdictions websites and printing by staff for distribution for public review</td>
<td>August, 2020</td>
</tr>
<tr>
<td>Common Approval- Consolidated Plan and Annual Action</td>
<td>August, 2020</td>
</tr>
<tr>
<td>Final Plan(s) submitted to HUD via eCon Planning Suite</td>
<td>August 14, 2020</td>
</tr>
<tr>
<td>Revisions as needed by HUD</td>
<td>Until Approved by HUD,</td>
</tr>
</tbody>
</table>

Note these dates are estimated at this time, actual dates and times will be determined in consultation with City Staff.
EXHIBIT C
COMPENSATION, FEES AND COMMISSIONS

Compensation for services rendered will be a CONSULTANT fixed price fee of $75,685.80 inclusive of any and all expenses needed to perform said services. This fee will be invoiced for itemized services rendered and performed in accordance with this Agreement following the schedule below. Payments shall be payable within thirty (30) calendar days of receipt and approval of the itemized invoice from CONSULTANT by the CITY.

The cost of said CONSULTANT is an eligible CDBG expense. CITY agrees to contribute Community Development Block Grant Administrative and/or if necessary, General Fund dollars towards the cost of the CONSULTANT to undertake the services outlined in Exhibit A. It is understood that the cost distribution shall be that the City of Brownsville will pay sixty-seven percent (67%), the City of Harlingen will pay twenty-four (24%), and the City of San Benito will pay the remaining nine percent (9%) of the total fee. See below for Cost Allocation per City.

Cost Allocation per City

<table>
<thead>
<tr>
<th>Regional Consolidated and Strategic Plan</th>
<th>Cost Allocation Per City</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDA Consulting, Inc. Total Fee</td>
<td>$75,685.80</td>
</tr>
<tr>
<td>City of Brownsville</td>
<td>67% $50,709.49</td>
</tr>
<tr>
<td>City of Harlingen</td>
<td>24% $18,164.59</td>
</tr>
<tr>
<td>City of San Benito</td>
<td>9% $6,811.72</td>
</tr>
<tr>
<td>Total Cost:</td>
<td>$75,685.80</td>
</tr>
</tbody>
</table>

*** Invoice will be pro-rated for the responsibility of each city based on the Cost Allocation per City table. Cities will provide copies of paid invoices to keep track of costs and not exceed budget***

The invoices will be submitted by the following schedule:
- Drafts of Con Plan Needs Assessment and Market Analysis Delivered – 15%
- Drafts of AI Demographic and HMDA Data Delivered – 15%
- Completion of Stakeholder Interviews and Surveys – 15%
- Focus Groups Completed – 10%
- Initial Draft of Con Plan submitted to Agencies – 20%
- Initial Draft of AI submitted to Agencies – 20%
- Final Drafts Submitted to HUD – 5%
### Fee Schedule

<table>
<thead>
<tr>
<th>Labor Costs</th>
<th>Hours</th>
<th>Rate Per Hour</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Project Manager: Alpha, J</td>
<td>90</td>
<td>$195.38</td>
<td>$17,584.56</td>
</tr>
<tr>
<td>Project Manager: Cook, M</td>
<td>90</td>
<td>$188.91</td>
<td>$17,002.08</td>
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<tr>
<td>Project Manager: Chatham, E</td>
<td>176</td>
<td>$185.03</td>
<td>$32,565.07</td>
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<tr>
<td>Paige, P</td>
<td>40</td>
<td>$79.64</td>
<td>$3,185.44</td>
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<tr>
<td>Budget Manager: Reese, M</td>
<td>4</td>
<td>$116.64</td>
<td>$466.57</td>
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</table>

**Total Hours:** 400  
**Subtotal:** $70,803.7

### Other Direct Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
<th>Quantity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air or Rail Fare</td>
<td>$500.00</td>
<td>5</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Car Rental</td>
<td>$50.00</td>
<td>5</td>
<td>$250.00</td>
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<tr>
<td>Parking</td>
<td>$50.00</td>
<td>10</td>
<td>$500.00</td>
</tr>
<tr>
<td>Other: Gas</td>
<td>$1.00</td>
<td>100</td>
<td>$100.00</td>
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**Total:** $3,350.00

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days of Lodging</td>
<td>8</td>
</tr>
<tr>
<td>Lodging Per Diem (aver, multi locations)</td>
<td>$96.00</td>
</tr>
<tr>
<td>Lodging Total</td>
<td>$768.00</td>
</tr>
<tr>
<td>Estimated Lodging Taxes (20%)</td>
<td>$153.60</td>
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</tbody>
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**Total:** $921.60

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Days of Meals</td>
<td>9</td>
</tr>
<tr>
<td>Meals &amp; Incidentals Per Diem (aver, multi sites)</td>
<td>$42.00</td>
</tr>
<tr>
<td>Subtotal Meals &amp; Incidentals</td>
<td>$378.00</td>
</tr>
</tbody>
</table>

**Subtotal:** $378.00

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel w 5%</td>
<td>$4,882.08</td>
</tr>
</tbody>
</table>

**Total Labor Costs:** $70,803.72

**Total Budget:** $75,685.80

Fee-$75,685.80 (Seventy-five Thousand Six Hundred Eighty Six Dollars and Eighty cents)

EXHIBIT C
EXHIBIT D

ACCESS TO RECORDS/RECORD RETENTION
CITY, HUD, the Comptroller General of the United States, and any of their duly authorized representatives, shall have unobstructed and full access to and the right to examine all books, records, reports, files, and other papers, things or property belonging to or in use by the CONSULTANT which are directly pertinent to this agreement for the purpose of making audit, examination, excerpts, and transcriptions. It is expressly understood that upon receipt of substantial evidence of the CONSULTANT’s refusal to comply with this provision, the CITY shall have the right to suspend or terminate this contract without prior notice.

The CONSULTANT shall retain all records relating to this agreement for a period of five years from the date of submission of the CITY’s Consolidated Annual Performance and Evaluation Report (CAPER) in which this project is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 5-year period. In such cases, the records must be retained until completion of the action and resolution of all issues, which arise from it or the end of the regular 5-year period, whichever is longer, except as provided below:

1. Written agreements must be retained for five (5) years after the agreement terminates.
2. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
3. In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

OTHER PROGRAM REQUIREMENTS
Federal Funding Accountability and Transparency Act (FFATA); CONSULTANT agrees to comply with the FFATA, which requires the CONSULTANT to provide CITY with their DUNS number. In addition, CONSULTANT agrees to register and keep current their registration through the System of Award Management (SAM.gov), which is the primary registrant database for the Federal Government.

Religious Activities: The CONSULTANT and CITY both agree that none of the funds expended or activities funded under this agreement shall be used in support of any sectarian or religious activity.

Restrictions on Lobbying: CONSULTANT agrees that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Drug-Free Workplace Act of 1988: The undersigned hereby certifies compliance with the Drug-Free Workplace Act of 1988 by:

1. Publishing a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specify actions to be taken against employees for violations.
2. Establishing a Drug-Free Awareness Program to inform employees about all the following:
   a. The dangers of drug abuse in the workplace
b. The person's or organization's policy of maintaining a drug-free workplace; and

c. Any available counseling, rehabilitation and employee assistance proof penalties that
may be imposed upon employees for drug abuse violations.

3. Notifying employees that as a condition of employment on this Federal contract, all
employees:

a. Will receive a copy of the company's drug-free policy statement;

b. Will agree to abide by the terms of the company's statement as a condition of
employment on the contract; and

3. Will notify the employer in writing of his or her conviction for a violation of a criminal
drug statute occurring in the workplace no later than five (5) calendar days after such
conviction.

Civil Rights Laws, Executive Orders, and Regulation: CONSULTANT must assure that all activities will
be administered in compliance with civil rights laws and regulations, including, but not limited to:

1. Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall,
on the ground of race, color, or national origin, be excluded from participation in, be
denied benefits of, or be subjected to discrimination under any program or activity
receiving Federal financial assistance.

2. Fair Housing Act which requires that grantees conduct an analysis to identify
impediments to fair housing choice within the CITY's jurisdiction, taking appropriate
actions to overcome the effects of any impediments identified through that analysis, and
maintain records reflecting the analysis and action in this regard.

3. Section 109 of the Housing and Community Development (HCD) Act of 1974, as
amended, provides that no person in the United States shall, on the ground of race, color,
national origin, religion, or sex, be excluded from participation in, be denied the benefits
of, or be subjected to discrimination under any program or activity funded in whole or in
part with funds made available under Title I of the Housing and Community

4. Section 504 of the Rehabilitation Act of 1973, as amended, provides for
 nondiscrimination of an otherwise qualified individual solely on the basis of his/her
handicap in benefiting from any program or activity receiving Federal financial
assistance. All recipients must certify to compliance with all provisions of Section 504.

5. Age Discrimination Act of 1975 provides that no person in the United States shall, on the
basis of age, be excluded from participation in, be denied the benefits of, or be subjected
to discrimination under any program or activity receiving Federal financial assistance.

(ADA) provides comprehensive civil rights to individuals with disabilities in the areas of
employment, public accommodations, state and local government services, and
telecommunications. Further the ADA requires the removal of architectural barriers and
communication barriers that are structural in nature in existing facilities where such
removal is readily achievable—that is, easily accomplishable and able to be carried out
without much difficulty or expense.

7. Section 503 of the Rehabilitation Act of 1973, as amended, provides form of
discrimination in employment. All recipients of Federal funds must certify Affirmative
Action for Handicapped Workers in all contracts issued.

CONSULTANT will not discriminate against any employee or applicant for employment because of
physical or mental handicap in regard to any position for which the employee or applicant for
employment is qualified.

CONSULTANT agrees to take affirmative action to employ, advance in employment, and otherwise treat
qualified handicapped individuals without discrimination based upon their physical or mental handicap in
all employment practices, such as employment upgrading, demotion or transfer, recruitment, advertising,
layoff or termination, rates of pay or other forms of compensation, and selection for training, including
apprenticeship.
The CONSULTANT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

In the event of the CONSULTANT’s noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the CITY, provided by or through the contracting officer. Such notices shall state the CONSULTANT’s obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

The CONSULTANT will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONSULTANT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

The CONSULTANT will include the provisions of this clause in every subcontract or purchase order of 52,500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontract or vendor. The CONSULTANT will take such action with respect to any subcontractor or purchase order as the Coordinator of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the regulations at 24 CFR Part 135, require that employment and other economic opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with federal, state, and local laws and regulations, be given to low- and very low-income persons.

Funds provided under this agreement shall not be used directly or indirectly to employ, award contracts to or otherwise engage the services of, or fund any CONSULTANT during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

CONSULTANT shall comply with the Uniform Administrative and Costs Principal of Federal Awards set forth in 2 CFR 200, Subpart E and Subpart F, which supersedes 2 CFR 215, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (formerly known as OMB Circular A-110), 2 CFR 230, “Cost Principles” (formerly known as OMB Circular A-122), and OMB Circular A-133, “Audit Requirements,” or the related CDBG provision, and any subsequent amendments thereto as they relate to the acceptance and use of Federal funds under this agreement.

CONSULTANT covenants that neither members of its organization or staff members who exercise influence on the decision-making process presently has or will have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in Exhibit A, (24 CFR Part 570.611 and 24 CFR Part 85.36.)

CONSULTANT agrees that no person who is an elected official, officer, director, employee, CONSULTANT, or agent of the CONSULTANT’s organization or the CITY’s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.
CONSULTANT shall be responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No CITY employee, elected official, CONSULTANT and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

CONSULTANT agrees that certain newly legalized aliens are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of 24 CFR 570.613. "Benefits" include jobs made available under covered activities funded by this agreement.
EXHIBIT E

INSURANCE

CONSULTANT shall obtain and maintain insurance coverage as agreed in paragraph 7 of the MARKETING AND ADVERTISING SERVICES CONTRACT AGREEMENT and ensure that coverage with the parameters contained herein remains in full force at all times during the contract period as follows:

i. Workers' Compensation and Employers' Liability Insurance
   Minimum Limits Consistent with Texas Worker's Compensation Act (Section 401):
   1. $100,000 bodily injury each accident
   2. $500,000 bodily injury by disease policy limit
   3. $100,000 Bodily injury by disease each employee
   Any firm performing work for or on behalf of the City of Brownsville must provide Workers' Compensation insurance.

   ii. Commercial General Liability Insurance
       Covering premises-operations, products-completed operations, independent CONSULTANTS and contractual liability, with a combined single limit bodily injury/property damage of $1,000,000. This coverage must include, but not be limited to:

       1. Coverage for the liability assumed by the CONSULTANT under the indemnity provision of the contract.
       2. Coverage for Premises/Operations
       3. Products/Completed Operations
       4. Broad Form Contractual Liability
       5. Independent CONSULTANTS

   iii. Automobile Liability Insurance
       Covering all owned, hired and non-owned automobile equipment with the following Limits:

       1. Bodily injury $250,000 each person,
          $500,000 each occurrence
       2. Property damage $100,000 each occurrence

   Policies must be endorsed to Waive Subrogation Rights and name the cities of Brownsville, Harlingen, and San Benito as an "Additional Insured."

EXHIBIT E
AGENDA ITEM
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consideration to enter into a Laboratory Services Agreement with Clinical Pathology Laboratories (CPL) and authorize the City Manager to sign the agreement.

Prepared By: Josh Ramirez, MPA, CPM
Title: Environmental Health Director
Signature: 

Brief Summary:
As a result of the COVID-19 Pandemic, and in the interest of public health, the City of Harlingen, Texas, and Clinical Pathology Laboratories, wish to establish a Laboratory Services Agreement related to COVID-19 testing. Agreement allows for Clinical Pathology Laboratories to provide clinical and anatomical testing services with results usually within 24 hours. Harlingen will pay Clinical Pathology Laboratories $100.00 per test related to COVID-19.

Staff will track all expenditures and will submit expenses to TDEM and FEMA for possible reimbursement.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount [ ] Yes [X] No*  
*If no, specify source of funding and amount requested:

Finance Director’s approval: [ ] Yes [ ] No [ ] N/A

Staff Recommendation:
Staff recommends approval of the Laboratory Services Agreement between City of Harlingen and Clinical Pathology Laboratories.

City Manager’s approval: [ ] Yes [ ] No [ ] N/A

Comments:

City Attorney’s approval:  [X] Yes [ ] No [ ] N/A

[5/14/20]

form revised 01/26/09
HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPM Business Associate Agreement (this "BA Agreement") is made and entered into effective as of May 1, 2020 (the "Effective Date") by the City of Harlingen ("Business Associate"), and Valley Med Urgent Care PLLC ("Covered Entity").

A. Definitions. For purposes of this BA Agreement:

1. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean (City of Harlingen).

2. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Valley Med Urgent Care PLLC.

3. "Agreement" shall mean the "City of Harlingen Contract Agreement For Medical Services In Response to COVID-19 (#MSC-35-0320)" made and entered into effective as of May 1, 2020, by Business Associate and The Covered Entity.

4. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.103 and shall include a person who qualified as a personal representative in accordance with 45 CFR § 164.5020g).


6. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR § 164.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

7. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.

8. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.

9. All other capitalized terms used in this Agreement shall have the meaning set forth in the applicable definitions under the HIPAA Rules.

B. Obligations and Activities of Business Associate

1. Business Associate agrees to not use or disclose PHI other than as permitted or required by this BA Agreement or as Required By Law.
2. Business Associates agrees to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent the use or disclosure of PHI other than as provided for this BA Agreement.

3. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BA Agreement.

4. Business Associate agrees to report immediately, but no later than three (3) days, to Covered Entity any use or disclosure of PHI not provided for by this BA Agreement of which it becomes aware including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware. The party responsible for the Breach of Unsecured PHI shall be responsible for payment of all actual costs associated with the Breach, including without limitation, costs of notifying affected Individuals, credit monitoring (where applicable), and other efforts to mitigate the harm to Individuals. Breach notification will be written in plain language and will include, to the extent possible or available, the following:

a. The identification of the individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach;

b. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach;

c. A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether the full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

d. Any steps individual who were subjects of the Breach should take to protect themselves from potential harm that may result from the Breach;

e. A brief description of what Business Associate is doing to investigate the Breach, to mitigate the harm to individuals, and to protect against further Breaches; and

f. Contact procedures for individuals to ask questions or learn additional information, including a toll free telephone number, an email address, Web site, or postal address.

5. Business Associate agrees to ensure that any agents or subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such Information.

6. Business Associate agrees to provide access, at the request of Covered Entity, in a reasonable time and manner, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual, in order to meet the requirements under 45 CFR § 164.524.

7. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, land in a reasonable time and manner.
8. Business Associate agrees to make internal practices, books, and records including policies and procedures and PHI relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary, in a reasonable time and manner, for the purpose of permitting the Secretary to determine Covered Entity’s compliance with the HIPAA Rules.

9. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

10. Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and, information collected in accordance with Section B.(10) of this BA Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

11. Business Associate agrees, to the extent the business associate is to carry out one or more of covered entity’s obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s);

C. Permitted Uses and Disclosures of PHI by Business Associate

1. Business Associate may only use or disclose PHI as permitted by the HIPAA Rules. Business Associate may use or disclose PHI to perform, manage and administer the activities or services required under the Agreement or other such arrangement between Covered Entity and Business Associate, including the de-identification of PHI, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity.

2. Business associate agrees to make uses and disclosures and requests for protected health information consistent with covered entity’s minimum necessary policies and procedures.

3. Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by covered entity, except for the specific uses and disclosures set forth below.

4. Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, including but not limited to use and disclosure of PHI with The University of Texas Health Science Center at Houston.

5. Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the
purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

6. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with § 164.5020(1).

D. Obligations of Covered Entity

E. Covered Entity shall notify Business Associate of any limitations in its notice(s) of privacy practices in accordance with 45 CFR § 164.520 to the extent that such limitations may affect Business Associate's use or disclosure of PHI.

F. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by individual to use of disclosure PHI, to the extent such changes may affect Business Associate's use and disclosure of PHI.

G. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

E. Restriction on Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by Covered Entity, except Business Associate may use or disclose PHI for data aggregation or management and administrative activities of Business Associate.

F. Term and Termination

1. Term. The Term of this BA Agreement and the obligations herein shall be deemed effective as of the Compliance Date or the date of execution of this BA Agreement, whichever date is later, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
   a. Provide an opportunity for Business Associate to cure the material breach or end the violation and terminate this BA Agreement and Covered Entity's participation in the Agreement if Business Associate does not cure the material breach or end the violation within the reasonable time specified by Covered Entity; or
b. Immediately terminate this BA Agreement and Covered Entity's participation in the Agreement if Business Associate has breached a material term of this BA Agreement and a cure is not possible.

3. Effect of Termination.

   a. Except as provided in Section F.(B), upon termination of this BA Agreement for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

   b. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible, including the need to retain PHI for audit, justification of work product or compliance with pharmacy or other applicable law. Business Associate shall extend the protections of this BA Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

G. Miscellaneous

1. Regulatory References. A reference in this BA Agreement to a section in the HIPAA Rules means the section as in effect, or as amended, and for which compliance is required.

2. Amendment. The Parties agree to take such action as is necessary to amend this BA Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules and the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191. This BA Agreement may be amended only in writing when signed by a duly authorized representative of each Party.

3. Survival. The respective rights and obligation of Business Associate under Section F.(3) of this BA Agreement shall survive the termination of this BA Agreement.

4. Interpretation. Any ambiguity in this BA Agreement or in the Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules.

5. Conflicts. To the extent that this BA Agreement may conflict with the Agreement, this BA Agreement shall govern.
CLIENT:
VALLEY MED URGENT CARE PLLC
800 E. Alton Gloor
Brownsville, TX. 78521

By: ___________ 

Eder Hernandez 

Date

PROVIDER:
CITY OF HARLINGEN
118 E. Tyler
Harlingen, TX 78550

By: ___________ 

Dan Serna 

Date
AGENDA ITEM  
EXECUTIVE SUMMARY

Meeting Date: May 20, 2020

Agenda Item:
Consideration and possible action to authorize the City Manager to enter into a HIPAA Business Associate Agreement with Valley Med Urgent Care as it relates to COVID-19 Testing for Harlingen Residents and sign the agreement. Attachment *(Health)*

Prepared By: Josh Ramirez, MPA, CPM  
Title: Environmental Health Director

Signature:

Brief Summary:
As a result of the COVID-19 Pandemic and in the interest of protecting the public's health, the City of Harlingen Texas, requests to enter into a HIPAA Business Associate Agreement with Valley Med Urgent Care PLLC. Agreement ensures Valley Med Urgent Care PLLC complies with HIPAA Privacy Rules as they relate to protected health information.

Funding (if applicable):
Are funds specifically designated in the current budget for the full amount for this purpose?  
*If no, specify source of funding and amount requested: Emergency Fund,*

Finance Director's approval:

Staff Recommendation:
Staff recommends approval of the HIPAA Business Associate Agreement.

City Manager's approval:

Comments:

City Attorney's approval:

form revised 01/26/09
LABORATORY SERVICES AGREEMENT

This Laboratory Services Agreement (the “Agreement”) is entered into by and between Clinical Pathology Laboratories, Inc. (“CPL”) with principal offices at 9200 Wall Street, Austin, TX 78754, and ________________________, (“Client”), with its principal place of business at ________________________.

1. **Recitals.**
   
a. Client operates a medical facility and requires clinical and anatomical testing services for the care of its patients.

b. CPL is experienced in providing clinical and anatomical laboratory services as required by Client.

c. Client desires to engage CPL, and CPL desires to be engaged by Client to provide clinical and anatomical testing services in accordance with the terms and conditions set forth in this Agreement.

2. **Duties of Client.**
   
a. Client will be responsible for procurement of all specimens from Client patients to be tested by CPL.

b. Client will maintain its own CLIA certification to perform any testing performed by Client that is separate and distinct from CPL’s laboratory services provided to patients of the Client.

3. **Duties of CPL.**
   
a. CPL shall maintain compliance with the standards imposed by the federal Clinical Laboratory Improvement Amendments of 1988 and their implementing regulations (“CLIA”).

b. For laboratory testing performed by CPL, CPL shall maintain, throughout the term of this Agreement, a level of quality testing services necessary to ensure standards of patient care. The elements of quality shall be deemed to be: (i) accurate results; (ii) timely reporting, (iii) trained personnel; (iv) ability to perform the tests offered (including experience of downtime and back up coverage); (v) compliance with law; and (vi) such other elements as are or become generally recognized in the clinical laboratory industry as measures of quality of service and are agreed upon by both parties. With respect to the element of timely reporting, CPL agrees to maintain a one (1) day turn around for routine clinical test results*; however, reporting times for microbiology tests shall be administered in accordance with the national average for said reports. CPL agrees that failure to meet any of the elements of quality of this paragraph shall be a breach of a material term of this Agreement.
* It is understood that it may not be realistic to complete testing for COVID-19 within this timeframe, because of limited testing supplies and/or testing capacity. CPL will perform COVID-19 testing for Client as resources allow.

4. **Compensation.**

   a. As compensation for COVID-19 testing, Client shall pay CPL One Hundred and 00/100 US Dollars ($100.00) per test. For all other testing services, CPL and Client must agree on pricing before Client submits specimens for such testing by CPL. CPL reserves the right to charge Client at the rates specified in CPL’s Client Fee Schedule, if Client sends specimens before the parties agree to pricing.

   b. CPL shall invoice Client on a monthly basis, which shall be paid in-full by Client no later than fifteen (15) business days after the date of invoice’s receipt.

5. **Term and Termination.**

   a. The initial term of this Agreement shall commence at the time in which the Agreement becomes duly executed, will have an initial term of one (1) year (“Initial Term”) and will be automatically renewed for additional periods of one (1) year (“Renewal Term”) at the end of the Initial Term or any Renewal Term, unless previously terminated by either party.

   b. Either party may terminate this Agreement for cause, as follows:

      (i) If CPL shall at any time lose any material licensure or accreditation currently held by a CPL laboratory which services the Client and shall have failed to reinstate such license or accreditation within ninety (90) calendar days, Client may terminate this Agreement immediately upon written notice;

      (ii) In the event that the Client substantiates all or any part of any quality problem submitted to the Client, CPL shall be so notified by the Client in writing. CPL shall have such time to cure the quality problem to the satisfaction of the Client as may reasonably be appropriate under the circumstances, provided CPL undertakes substantial efforts within ten (10) calendar days of such notice to affect a cure. Failure of CPL to cure such quality problems to the reasonable satisfaction of the Client shall constitute “cause” for termination of this Agreement on written notice by Client;

      (iii) By either party in the event of a breach of any material term of this Agreement, if such breach is not corrected within thirty (30) calendar days after written notice of the breach is given to the breaching party by the non-breaching party.

      (iv) By either party in the event that the other’s status as a Medicare or Medicaid provider is the subject of an investigation by the Office of the Inspector General or any federal or state regulatory agency, revocation, suspension, restriction or non-renewal, without regard to whether such investigation, revocation,
suspension, restriction, non-renewal has been finally adjudicated.

c. Either party may terminate this Agreement at any time upon thirty (30) calendar days written notice to the other party.


a. CPL and Client enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local, and federal law including the federal Medicare/Medicaid Anti-Fraud and Abuse law, the Stark law and the Texas Health & Safety Code illegal remuneration law. Notwithstanding any unanticipated effect of any of the provisions herein, neither party shall intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of the Medicare/Medicaid Anti-Fraud and Abuse law, the Stark law or Texas Health & Safety Code illegal remuneration law.

b. Notwithstanding any other provision of this Agreement, if either party or on the written advice of its legal counsel, determines that any provision hereof places the party at an unacceptable level of risk that it may violate any law, or in the event there is a change in the Medicare or Medicaid laws or regulations or interpretations thereof, or the adoption of new federal or state legislation, any of which materially and adversely affects the payment that either party may receive for services and thereby materially and adversely affects the ability of a party to perform under the provisions and intent of this Agreement, Client or CPL shall make a proposal for modification of this Agreement intended to comply with the law and otherwise carry out the intent of the parties as set forth in this Agreement. If such notice of proposed revisions to the Agreement is given and if the parties are unable within thirty (30) calendar days thereafter to agree upon modification to this Agreement, either party may terminate this Agreement upon thirty (30) calendar days written notice to the other party.

c. Each party to this Agreement shall remain in full compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and implementing regulations 45 CFR Parts 160 and 164, as may be modified from time to time.

7. Insurance.

a. During the term of this Agreement, each party shall maintain, at its own cost, professional liability insurance as customary in the community for its type of services.

b. Each party shall maintain, at its own cost, standard comprehensive general liability and property damage insurance coverage to insure against claims that may arise out of, or in connection with, the performance of this Agreement by the parties, their employees, and their servants or agents.

8. Records and Reports.

a. All medical records and reports pertaining to all tests, diagnoses and procedures
performed through CPL shall be kept in the format determined by the CPL. All such records and reports shall be and remain the property of CPL. The parties shall maintain and use such records in accordance with the confidentiality and privilege provisions of applicable federal and state law.

b. If this Agreement is determined to be one to which 42 U.S.C. §1395X(v)(1)(I) and 42 C.F.R. Subpart D, Sections 420.300 - 420.304 applies, the parties agree to comply with the following statutory and regulatory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(i) Until the expiration of four (4) years after the furnishing of such services pursuant to this Agreement, the parties shall make available, upon written request to the Secretary of the Department of Health and Human Services ("HHS"), or upon request to the Comptroller General of the United States ("Comptroller General"), or any of their duly authorized representatives, this Agreement, and books, documents, and records that are necessary to certify the nature and extent of such costs: and

(ii) If either party carries out any of the duties of this Agreement through a subcontract with a value or cost of Ten Thousand Dollars ($10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that, until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of HHS, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs.

9. Limitation on Damages.

a. Neither Client nor CPL shall be liable to the other for or otherwise be responsible for the indirect, consequential or special damages of the other party, whether suffered directly or owed to a third party, which have arisen by reason of services performed under this Agreement or the relationship created in this Agreement.

10. Notice.

Whenever under the terms of this Agreement written notice is required or permitted to be given by any party to the other party, such notice shall be deemed to have been sufficiently given and received (a) on delivery if delivered by commercial courier service, (b) on transmission if transmitted electronically by confirmed facsimile with original then transmitted by United States Mail, or (c) five (5) calendar days after deposit, if deposited in the United States Mail in a properly stamped envelope, certified mail, return receipt requested, addressed to the party to whom it is to be given at the address set forth below.

To CPL:  

To Client:
11. **Miscellaneous.**

a. This Agreement sets forth the entire understanding and agreement between the parties and shall be binding upon the parties, their subsidiaries, affiliates, successors and permitted assigns. All prior negotiations, agreements and understandings are superseded hereby.

b. This Agreement may not be amended or modified except by written instrument executed and dated by duly authorized representatives of Client and CPL.

c. This Agreement shall not be assigned, delegated, or transferred by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

d. The headings preceding the text of the several Sections and paragraphs of this Agreement are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of any section hereof.

e. The Sections, paragraphs and individual provisions contained in this Agreement shall be considered severable from the remainder of this Agreement and in the event that any Section, paragraph or other provision should be determined to be unenforceable as written for any reason, such determination shall not adversely affect the remainder of the Sections, paragraphs or other provisions of this Agreement. It is agreed further, that in the event any Section, paragraph or other provision is determined to be unenforceable, the parties shall use their best efforts to reach agreement on an amendment to the Agreement to supersede such severed Section, paragraph or provision.

f. None of the provisions of this Agreement shall be construed to create a partnership, joint venture or other relationship between CPL and Client other than as independent contractors nor to authorize either CPL or Client to act as a general or special agent of the other party in any respect, except as specifically set forth in this Agreement or hereafter agreed to in writing by the parties.

g. This Agreement, except to the extent preempted by applicable federal law, shall be construed in accordance with the laws of the State of Texas.

h. **THE PARTIES WARRANT TO EACH OTHER THAT NONE OF ITS EMPLOYEES OR OWNERS HAVE BEEN DEBARRED, SUSPENDED, DECLARED INELIGIBLE OR EXCLUDED FROM MEDICARE, MEDICAID, TRICARE OR ANY OTHER FEDERAL OR STATE GOVERNMENT PROGRAM.**
IN WITNESS WHEREOF, the parties have executed this Agreement, by and through their respective duly authorized officers, as indicated below:

Clinical Pathology Laboratories, Inc.

By: ____________________________  By: ____________________________
Name: Bobby Smithson             Name: ____________________________
Title: President                  Title: ____________________________
Date: __________________________  Date: __________________________