

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 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.

Cash Flow Analysis (Estimated)	FY 19-20 Projected Totals	FY 19-20 Approved Budget	Budget Amendments	Variance (+/-)
Beginning Cash Balance	\$ 8,867,247	\$ 8,771,746	\$ 8,867,247	
+ Revenues	\$ 4,230,096	\$ 6,155,630	\$ 4,257,703	
- Expenditures	\$ 7,534,636	\$ 7,220,534	\$ 7,519,384	
+/- Adjustments	\$ -	\$ -	\$ -	
Ending Cash Balance	\$ 5,562,708	\$ 7,706,843	\$ 5,605,566	
Debt Service Set Aside			\$ 2,265,243	
Excess Funds			\$ 3,340,323	

Expenditures	FY 19-20 Projected Totals	FY 19-20 Approved Budget	Budget Amendments	Variance (+/-)
Administration				
Personnel Services - Payroll	\$ 492,351	\$ 548,723	\$ 496,600	\$ (52,123)
Personnel Services - Benefits	\$ 129,618	\$ 137,364	\$ 132,498	\$ (4,866)
Supplies - General	\$ 19,000	\$ 20,000	\$ 20,000	\$ -
Services & Charges - General	\$ 153,233	\$ 169,912	\$ 162,800	\$ (7,112)
Services & Charges Maintenance	\$ 22,625	\$ 36,000	\$ 25,000	\$ (11,000)
Services & Charges - Miscellaneous	\$ 12,359	\$ 16,800	\$ 12,800	\$ (4,000)
Administration - Billboards	\$ 37,536	\$ 45,000	\$ 37,536	\$ (7,464)
Administration - Operations				
Consultants - Austin	\$ 138,000	\$ 144,000	\$ 144,000	\$ -
Economic Development Studies	\$ 73,500	\$ 102,000	\$ 77,000	\$ (25,000)
Consultants I-69 / 77/281	\$ 29,667	\$ 96,000	\$ 30,000	\$ (66,000)
City Reimbursement	\$ 48,598	\$ 58,000	\$ 50,000	\$ (8,000)
Office	\$ 9,842	\$ 9,000	\$ 12,000	\$ 3,000
Professional	\$ 97,532	\$ 120,000	\$ 100,000	\$ (20,000)
Audit Fees	\$ 416	\$ 9,500	\$ 9,500	\$ -
Registration Fees - Travel & Training	\$ 44,772	\$ 75,000	\$ 45,000	\$ (30,000)
Insurance	\$ 991	\$ -	\$ 1,000	\$ 1,000
Miscellaneous/Unallocated	\$ 14,145	\$ 3,000	\$ 14,000	\$ 11,000
Consultant/Schrader & Cline	\$ 2,488	\$ -	\$ -	\$ -
Hosting/Groundbreaking Events	\$ 39,532	\$ 60,000	\$ 40,000	\$ (20,000)
Administration - Operations	\$ 499,482	\$ 676,500	\$ 522,500	\$ (154,000)

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.

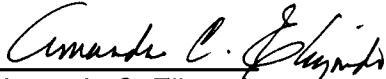
Motion was made by Commissioner Leal and seconded by Commissioner Uribe to approve the budget amendments for Fiscal Year 2019-2020. Motion carried unanimously.

3. 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.

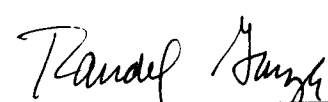
ATTEST:


 Amanda C. Elizondo
 City Secretary

CITY OF HARLINGEN


 Chris Boswell, Mayor

ATTEST:



 Raudel Garza, Manager and CEO

Development Corporation of Harlingen, Inc.

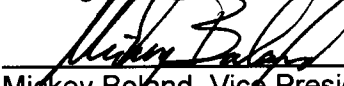

 Mickey Boland, Vice President

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

ATTEST:


 Raudel Garza, Manager and CEO

Development Corporation of Harlingen, Inc.


 Mickey Boland, Vice President