



REGULAR MEETING

TAKE NOTICE THAT A REGULAR MEETING
OF THE CITY OF EDCOUCH WILL BE HELD
AT 211 W. SOUTHERN AVE., EDCOUCH, TEXAS, ON
THURSDAY, NOVEMBER 7, 2019
COMMENCING AT 6:00 P.M.

AGENDA

- A. **Call Meeting to Order**
- B. **Roll Call**
- C. **Pledge of Allegiance**
- D. **Public Comments**
- E. **Discussion and possible action on approval of Minutes:**
 1. **Regular Meeting Minutes of October 23, 2019.**
- F. **Discussion and possible action on Resolution No. 2019-20; Casting of Five (5) Votes for The Hidalgo County Appraisal District Board of Directors for the FY 2020-2021.**
- G. **Discussion and possible action on Ordinance 2019-05; Authorizing the issuance of “City of Edcouch, Texas Limited Tax Refunding Bonds, Series 2019”, and a Paying Agent/ Registrar Agreement; Providing for the sale of such bonds; Delegating authority to City Representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto.**
- H. **Discussion and possible action on Resolution No. 2019-21; Authorizing the City Manager and Designated Representative to no longer proceed with the USDA Loan; Execute any documents in connection therewith; Do any or all things proper and necessary to carry out the intent thereof; and to provide notice to the USDA Rural Development of intent to no longer proceed.**
- I. **Discussion and possible action on the transfer of the following properties to the Edcouch Economic Development Corporation.**
 1. **St. Mary’s Property described as the West Tract S402.9’-N721.9’-E692.2’ - FT 562 6.0 AC Property I.D. 326174 - GEO I.D. W3800-00-562-0000-05**
 2. **Property on North side of St. Mary’s Property described as the West Tract N317.95’-E692.20’ EXC AN IRR TR N187’-E247-70’ - FT 562 4.28 AC GR 4.16 AC NET Property I.D. 326171 - GEO I.D. W3800-00-562-000-02**
- J. **Adjournment.**

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

City Hall is Wheelchair accessible & accessible parking spaces are available. Request for accommodations or interpretive services must be made 48 hours prior to this Meeting. Please contact the City Secretary’s Office at 956-262-2140 or Fax 956-262-2920 for further information. Braille is not available.

If during the course of the meeting, The City Council should determine that a Closed Session or meeting is authorized by section 551.071, 551.072, 551.074, 551.075, 551.076, 551.084, 551.086 of the Government Code or Vernon's Texas Codes Annotated, notice of Closed or Executive Session will be given after the commencement of the meeting covered by this notice pursuant to Section 551.101 of the Local Government Code. Should any final motion, decision, or vote be required in the opinion of the council with regards to any item during the meeting, then such final action, decision, or vote shall be made during the open meeting covered by this notice upon the reconvening of the Public Meeting.

I, the undersigned authority, do hereby certify that the above notice of said Regular Meeting of the Board of Aldermen of the City of Edcouch was posted on the main entrance to Edcouch City Hall on the 4th day of November 2019 at 5:00 pm and will remain posted continuously for at least 72 hours prior to the scheduled time of said meeting, in compliance with Chapter 551 of the Government Code, Vernon's Texas Codes, Annotated (Open Meetings Act).

WITNESS MY HAND AND SEAL, THIS 4th DAY OF NOVEMBER 2019.

Victor H. De La Cruz
City Manager



**MINUTES
REGULAR MEETING
CITY OF EDCOUCH**

211 W. SOUTHERN AVE., EDCOUCH, TEXAS
THURSDAY, NOVEMBER 7, 2019
6:00 P.M.

AGENDA

Mayor: Gonzalez -

- K. Call Meeting to Order** Meeting was called to **Order** by **Mayor: Gonzalez at 6:20 pm.**
- L. Roll Call** Roll call was called by **Mr. Pete De La Cruz** as follows:

	Present	Absent	City Staff:
Mayor: Virginio Gonzalez Jr.	<u> X </u>	___	Victor H. De La Cruz, City Manager
Mayor Pro Tem: Flores	<u> X </u>	___	Manuel Hernandez Jr., Fin./Court Admin
Alderman: Joel Segura	<u> X </u>	___	Mark Leal, Police Officer
Alderman: Alfredo F. Borrego	<u> X </u>	Abs.	Pete De La Cruz, Fins./Grants
Alderman: Daniel A Guzman	<u> X </u>	Abs.	<u>Guests:</u> David Gonzalez, PFM
Alderman: Lorenzo Cabrera	<u> X </u>	___	John Chapa, EDC Member
City Attorney: Orlando Jimenez			Frank Trevino, visitor

Pete De La Cruz - Mayor, we have a quorum.

- M. Pledge of Allegiance** Pledge of Allegiance was led by **Alderman: Cabrera.**

Mr. Victor H. De La Cruz - Mayor, at this time I would like to request permission to add the invocation.

Invocation was led by **Mr. Victor H. De La Cruz.**

- N. Public Comments** N/A

- O. Discussion and possible action on approval of Minutes: (1:55)**

1. Regular Meeting Minutes of October 23, 2019.

A motion to **approve** the minutes of October 23, 2019 was made **by Alderman: Segura, 2nd** by **Alderman: Cabrera.** All Voted Aye. Motion Carried. (2:15)

- P. Discussion and possible action on Resolution No. 2019-20; Casting of Five (5) Votes for the Hidalgo County Appraisal District Board of Directors for the FY 2020-2021. (2:15)**

Mr. Victor H. De La Cruz - Mayor, at your last meeting you all decided to nominate Mr. Rudy Ramirez as your nomination for the Hidalgo County Appraisal District Board of Directors for the FY 2020-2021. But since then, we got an email from the Hidalgo County Appraisal District informing us that Mr. Rudy Ramirez had declined his nomination. Therefore, at this time, in your package you have the actual list of candidates and the "Official Ballot" with the candidate's name for which you can cast your five (5) authorized votes. **Mr. Jimenez** - I would like to make two corrections on the resolution. The first one is on the 5th paragraph where it says "Now. Therefore - we need to change 20250 -2021 to **2020-2021** and on there where the Mayor is going to sign on the bottom where it says "Read, Passed, and Adopted on this 7th day of December 2019". We need to put November on there.

Mayor Gonzalez - Thank you Mr. Jimenez. Is there a motion on Resolution No. 2019-20 on the casting of the five votes and the corrections as per Mr. Jimenez?

A motion to **approve Resolution No. 2019-20**; Casting of the City of Edcouch Five (5) Votes for the Hidalgo County Appraisal District Board of Directors for the FY 2020-2021 to **Albert Cardenas** with the corrections as mentioned by Mr. Jimenez was made **by Alderman: Cabrera,** 2nd **by Mayor Pro Tem: Flores.** All Voted Aye. Motion Carried. (4:40)

- Q. Discussion and possible action on Ordinance 2019-05; Authorizing the issuance of “City of Edcouch, Texas Limited Tax Refunding Bonds, Series 2019”, and a Paying Agent/ Registrar Agreement; Providing for the sale of such bonds; Delegating authority to City Representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto. (4:41)**

Mr. Victor H. De La Cruz - Mayor, before Mr. Gonzalez starts, I would like to recommend that we go ahead and discuss Item H with Item G. Since they are both related, we can discuss both items together. That way Mr. Gonzalez can discuss both items and then we can go ahead and approve them separately if you all desire. Mayor: Gonzalez - Ok. (5:22)

Mr. David Gonzalez - Good evening Mayor & Aldermen, this presentation and package of documents that you have in front of you is for summarizing the financing and refunding. I don't know if you are aware now of what we are doing. This is part of the USDA Loan that we are not going to utilize those monies, we are just going to pay back the amount that has been taken out of those funds. So, currently about 1.6 million sitting in an escrow account with Plains Capitol Bank. This account must be closed, and those monies are going back to CoBank and then the City is only going to be responsible for roughly about 350 thousand which include some of the payments that were made to some of the consultants. So, with that turn to the first page, Page No. 1. Here we have, it says Sources and Uses on the top, we have a total of \$350,000 under Sources. If you go down to Uses, we have a principle amount of \$225,000, and we have interest of \$84,824.28, this is back interest since this USDA Loan was first issued in 2015. This is interest that has been accumulating since then. There was also a Cost of Issuance of \$40 thousand and a rounding of additional proceeds of \$175.72. If you jump over to Page No. 2, these refunding bonds are going to have a 7-year term on them. And if you look down and go down a couple of lines, there is a line there that says True Interest Cost (TIC), there's going to be a 7-year responding bond at a pre-cost of 3.75%. Then you go down to the lower part, about the middle of the page, we have the Average Annual Debt Service, this is how much it's going to cost on an annual basis, \$61,834.75. If you jump over to Page No. 4, page 4 breaks down your annual principal payments and your annual interest payments. Now, the next page breaks it down by semi-annual payments because bonds are paid back twice a year. So, the next page has more details, but that's more for the city manager and your finance department once you receive those invoices so that you all can be making those payment. Now, if you jump to the final page, you have the timetable of events. So, if you so choose to move forward with these refunding bonds, we will basically get this CoBank Loan out of your books, we'll handle it and get CoBank out of your way for a while. And if so, we will work with your bond counsel, your staff, and if you look at your timetable, we should be able to close these bonds on December 12 with the Attorney General's Office. We will work about a month with the AG Office to get this squared away. That's what I have for you all, if you have any questions, I'll be glad to answer anything you may have regarding these bonds. Mayor: Gonzalez - Are the terms negotiable or it has to be more

than 7 years? **Mr. David Gonzalez** - That's pretty much what it is right now. **Mr. Victor H. De La Cruz** - Mayor, we actually have some conferences with Mr. Hunter and some people from the bank. They are being very generous as to how we are handling this, because otherwise we would have to go and look for a bank ourselves and try to see what we could get. This right here, just so that I can clarify, this is what was paid for the engineer primarily on this particular project and the city did not get anything for that, this are monies that were paid. Just for the record, I would like to say that in my opinion, it shouldn't have been done like that. We can't be releasing that amount of monies on something tangible, that's too much monies in my opinion. Had I had the opportunity to work with this a little bit longer, I would probably recommend that we go with the project with the monies we already had. But I think what Mr. Gonzalez did here, was that he and Dan Martinez negotiated with CoBank and we are getting a real good deal. The interest is extremely really low, and I don't think we are going to get anything better anywhere else. **Mayor: Gonzalez** - Just so that we understand, the first year we will be paying \$25,000, the second year \$50,000, this is on Page 3. **Mr. David Gonzalez** - That's only the principal. If you jump over to Page 4, there on the far right, on the first year you will be paying \$31,161.46 and after that it will average up to about \$60,000 after that. **Mayor: Gonzalez** - Ok. **Mr. David Gonzalez** - Now this is roughly about \$350,000 total, had you completed this with the USDA Loan, you would be looking for a total loan of about 1.8 million and you would be looking at a much higher Debt Service had you proceeded with the loan the way it was originally structured back in 2015. **Mayor Pro Tem: Flores** - Now, is there any early termination? **Mr. David Gonzalez** - We still have to kind of negotiate that with them, this are the terms and conditions as far as the rates they gave us. But we still have to figure that out at this point. **Mayor: Gonzalez** - So even though it will be \$350,000, it will cost us \$400,000 by the end of those 7 years? **Mr. David Gonzalez** - Correct. (11:15) **Mayor: Gonzalez** - I wanted to ask additional questions, but I don't know if we should take it into executive session since it involves legal matters pertaining to the funds that were spent. **Mr. Victor H. De La Cruz** - I think, for time sake, that if it does not interfere with these resolutions, I think that we can go around these resolutions. Then if you like, I don't know if we can discuss anything on legal today since it's not in the agenda. **Mr. Jimenez** - If it's related to the items that are in the agenda, you can. The Board is always free to move from open session to executive session when dealing with legal matters, personnel matters, or pending litigation involving anything that is on the agenda. So, if the Mayor feels that it is directly related, then yes, we can go into executive session and talk about those issues and then reconvene and take action. **Mr. Victor H. De La Cruz** - Do we do that right now since we don't have an item for executive session? **Mr. Jimenez** - No, even though it's not in agenda, the executive session is a matter of state law. So, at any time you can say, I would like to discuss that with legal in executive session. So whatever item you feel that you need to discuss in executive session, you can make that recommendation in open session. **Mayor: Gonzalez** - I would like to ask some questions in executive session before, I know about the time length that we have, and then we can come back to fully understand this item. **Mr. Jimenez** - And that will be for Item G & H, Sir. **Mayor: Gonzalez** - Yes Sir, Items G & H. (13:00)

(13:00) **After this discussion of Item G and the question about going into Executive Session, Mayor: Gonzalez moved to Item I.**

(16:50) **After Executive Session, Mayor Gonzalez came back to Item G. Discussion & possible action on Ordinance 2019-05; Authorization of the issuance of Texas Limited Tax Refunding Bonds, Series 2019.**

Mayor Pro Tem: Flores - I motion to approve as presented.

A motion to **approve Ordinance No. 2019-05**; Authorizing the issuance of “City of Edcouch, Texas Limited Tax Refunding Bonds, Series 2019”, and a Paying Agent/Registrar Agreement; Providing for the sale of such bonds; Delegating authority to the City Representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereof was made **by Mayor Pro Tem Flores**, 2nd by **Alderman: Segura**. **All Voted Aye. Motion Carried.** (17:30)

- R. Discussion and possible action on Resolution No. 2019-21; Authorizing the City Manager and Designated Representative to no longer proceed with USDA Loan; Execute any documents in connection therewith; Do any or all things proper and necessary to carry out the intent thereof; and provide notice to USDA Rural Development of intent to no longer proceed.** (17:32)

Mayor Pro Tem: Flores - I motion to approve as presented.

A motion to **approve Resolution No. 2019-21**; Authorizing the City Manager and Designated Representative to no longer proceed with the USDA Loan; Execute any documents in connections therewith; do any or all things proper and necessary to carry out the intent thereof; and provide notice to USDA Rural Development of the intent to no longer proceed was made **by Mayor Pro Tem; Flores**, 2nd by **Alderman : Cabrera**. **All Voted Aye. Motion Carried.** (18:02)

(18:03) **At this time Mayor Gonzalez went back to Item J. Adjournment.**

(13:00) **After discussion of Item G. Mayor Gonzalez: moved to Item I.**

- S. Discussion and possible action on the transfer of the following properties to the Edcouch Economic Development Corporation.** (13:00)

- 1. St. Mary’s Property described as the West Tract S402.9’-N721.9’-E692.2’ - FT 562 6.0 AC Property I.D. 326174 - GEO I.D. W3800-00-562-0000-05**
- 2. Property on North side of St. Mary’s Property described as the West Tract N317.95’- E692.20’ EXC AN IRR TR N187’-E247-70’ - FT 562 4.28 AC GR 4.16 AC NET Property I.D. 326171 - GEO I.D. W3800-00-562-000-02**

Mr. Victor H. De La Cruz - Mayor, as you know we have been working on re-establishing the Economic Development Corporation for the City of Edcouch. After hard work on behalf of the city and with legal Counsel, we’ve been able to identify that the corporation, since 1997, we have been sending payments. At this time on this particular item, we want to move a couple of properties that we have plans for. We want to transfer these properties from the City of Edcouch over to the EDC. That’s basically what we are doing there. Those properties are Saint Mary’s property described as the West Tract S402.9’ and next to it is the property on North side of St. Mary’s property described as the West Tract N317, both properties are on FM 1015. From research these properties were actually bought with EDC monies. So, we are kind of putting the funds back to where they belong. **Mayor: Gonzalez** - So, for the record, these properties were bought by EDC. **Mr. Victor H. De La Cruz** - Yes Sir. **Mayor: Gonzalez** - So now it is our responsibility to put them back. Are these tracks of land clear of any liens or outstanding taxes?

Mr. Victor H. De La Cruz - Not that I know of. **Mr. Jimenez** - Usually what happens is that the purchaser is the one that does the title commitment. But the research that is usually done is to go back 80 years to see if there are any liens or issues, that way the Board is absolutely aware. After this meeting, we have the EDC and, on the EDC, if we have the certificate of formation, the By-Laws, and the Articles of Incorporation, then once the EDC officially accepts that, then we can also accept these properties into the EDC. **Mayor: Gonzalez** - Alright, it looks great. **Mayor Pro Tem: Flores** - Motion to approve.

A motion to **approve** the transferring of the property of St. Mary's and the property on the Northside of St. Mary's from the City of Edcouch to the Economic Development Corporation contingent to the negotiation of conditions as discussed in executive session was made by **Board Member: Flores**, 2nd by **Board Member: Segura**. **All Voted Aye. Motion Carried.** (15:50)

Mayor Gonzalez - Alright, at this time, it has been determined that a closed session of this meeting is authorized by Section ... **Mr. Jimenez** - There are quite a bit of sections here that actually, applies Mayor, so I would just say "Under the Texas Government Code". **Mayor Gonzalez** - Under the Texas Government Code, we will go into Executive Session. **It is now 6:36 pm.** (16:26)

(16:31) **Mayor Gonzalez** - Alright, we are now back in open session and it is 6:47 pm.

(16:40) **Mayor Gonzalez** - We are going back to Item G.

(18:03) **After Item H., Mayor Gonzalez came back to Item J. Adjournment.**

T. Adjournment.

At 6:49 pm, a motion to adjourn was made by **Alderman Segura**, 2nd by **Mayor Pro Tem: Flores**, 2nd by **Alderman: Segura**. **All Voted Aye. Motion Carried.**

Take Notice that this are the true and correct minutes taken of the Regular Meeting of the City of Edcouch held on Thursday, November 7, 2019.

Passed and Approved by the Board of Aldermen on this 5th day of December 2019.

ATTEST

Pete De La Cruz
City of Edcouch

Regular Meeting
11/7/19
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