



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 JULY 01, 2021
COMMENCING AT 6:00 P.M.

AGENDA

- A. Call Meeting to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Invocation
- E. Public Comments
- F. Discussion and Possible Action on Approval of Minutes
 - 1. Regular Meeting Minutes 06-03-21
 - 2. Special Meeting Minutes 06-22-21
- G. Consent Agenda
 - 1. Engineers Report
 - 2. Police Dept Report
 - 3. Fire Dept Report
 - 4. Water Dept Report
 - 5. Municipal Court Report
 - 6. City Manager Report
- H. Discussion and Possible Action to approve CSJ Group to proceed with lift stations at Villa Estates and Arianna Estates pending Cost Estimate.
- I. Discussion and Possible Action to approve Ordinance 2021-16 Authorizing the issuance of City of Edcouch, Texas Limited Tax refunding bonds, taxable series 2021; a paying agent/registrar agreement and a purchase and investment letter 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
- J. Discussion and Possible Action to approve submitting a Federal Assistance Application to the Economic Development Administration (EDA) Under the American Rescue Plan seeking funding assistance for an amount not to exceed \$5.0 million dollars and authorizing the Mayor as Authorized Representative to sign all necessary application documents.
- K. Discussion and Possible Action to approve authorizing the Reyna Network, LLC to prepare and submit a Federal Assistance Application to The Economic Development Administration (EDA) Under The American Rescue Plan seeking funding assistance for an amount not the exceed \$5.0 million dollars.

L. Discussion and Possible Action to approve the name changing of Pacific Street to C V Mendez Street.

M. 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 28th day of May 2021 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 28th DAY OF MAY 2021.

Victor H. De La Cruz
City Manager



**MINUTES
REGULAR MEETING**

**CITY OF EDCOUCH
211 W. SOUTHERN AVE., EDCOUCH, TEXAS
THURSDAY, JULY 01, 2021
COMMENCING AT 6:00 P.M.**

AGENDA

- N. Call Meeting to Order** Meeting was called to Order by **Mayor Gonzalez at 6:16 p.m.**
- O. Roll Call** Roll call was called by **Mr. Manuel Hernandez Jr** as follows:

	Present	Absent	City Staff:
Mayor: Virginio Gonzalez Jr.	<u> X </u>	<u> </u>	Victor H. De La Cruz, City Manager
Mayor Pro Tem: Flores	<u> X </u>	<u> </u>	Manuel Hernandez Jr., Fin./Grants
Alderman: Joel Segura	<u> X </u>	<u> </u>	Police Chief., Roel Guerra
Alderman: John Chapa	<u> </u>	<u> X </u>	Fire Chief., Victor Nieves
Alderman: Robert Gutierrez	<u> X </u>	<u> </u>	
Alderman: Lorenzo Cabrera	<u> X </u>	<u> </u>	
City Attorney: Orlando Jimenez			

Mayor, we have a quorum.

- P. Pledge of Allegiance** Pledge of Allegiance was led by Manny Hernandez
- Q. Invocation** Invocation was led by Mr. De La Cruz.
- R. Public Comments** No Public Comments
- S. Discussion and Possible Action on approval of Minutes**

- 1. Regular Meeting Minutes of 06-03-21**
- 2. Special Meeting Minutes of 06-22-21**

A motion to approve the Regular Meeting Minutes of June 03, 2021 was made by Alderman Segura , 2nd by Alderman Gutierrez . Three Aye and 1 opposed Motion Carried.

Mayor: For the record Mr. Cabrera had opposed.

Mr De La Cruz: Who opposed?

Mr Hernandez: Commissioner Cabrera

OJ: Mayor, typically when there is an opposition there has to a reason for the opposition. So, we can correct the minutes. If there is something that we left out, then we need to correct it. So, if Mr. Cabrera would like to voice his reason for his opposition as to when specifically in the minutes are either lacking or deficient.

Commissioner Cabrera: I went against it because I wasn't in the meeting, and it was with Fulcrum and we have a suit pending against Fulcrum. That is why I went against with that.

Commissioner Flores: I don't think the past meeting had anything with Fulcrum, Mr. Cabrera.

Commissioner Cabrera: Yeah, well in the special meeting there was, I think there was Fulcrum.

OJ: Can you specify where there is anything there?

Mr. De La Cruz: I think what legal is saying is if there is any changes on the actual minutes. We are talking about the minutes Mr. Cabrera. If you reviewed the minutes, if there is any wording that is wrong, or if something was said that isn't right. Those are the type of things that you can oppose for other than that the minutes are what the meeting came to be.

OJ: Correct.

Mr. De La Cruz: Your view on the meeting that is not what the item is asking.

Commissioner Cabrera: Those special meetings that you all are making; you are making them to early you know I work until 5 and I cant be attending those. I wish we could reorganize.

Mr. De La Cruz: I believe at this time if you want you can abstain from voting, if I'm correct legal?

OJ: Yeah, the way I am hearing it there is no objection to the way the minutes sound. I think what he is objecting is either when they are taking place, but that is not what the approval of minutes is for. It is just a recording device of what actually transpired not when there was objection of what transpired. It is just a reflection of the recording of what transpired so the way it sounds like is disregard what was already put on the record because the minutes are already reflecting what was put on the record.

Mr. De La Cruz: How can we proceed, council?

OJ: The neigh are for other reasons not specific for correcting or modifying the agenda. Is that correct, Mr. Cabrera?

Commissioner Cabrera: Yeah.

OJ: So, we can proceed with no objections to the actual recordings of the minutes.

Commissioner Flores: We got three votes to approve right?

Mr. De la Cruz: Yes

Commissioner Flores: Ok, we will move forward.

A motion to approve the Special Meeting Minutes of June 22, 2021 was made by Alderman _____, 2nd by Alderman _____. All Voted Aye/Motion

T. Consent Agenda

1. Engineer Report
2. Police Report
3. Fire Dept Report

4. Water Dept Report
5. Municipal Court Report
6. City Manager Report

A motion to was made to table Item G by Alderman ___ Gutierrez ___ 2nd by Alderman Flores. All Voted Aye/Motion Carried.

U. Discussion and Possible Action to Approve CSJ Group to Proceed with lift stations at Villa Estates and Ariana Estates Pending Cost Estimate

Mr. De L a Cruz: Yes mayor, I'd like to recommend that you all approve this item here. These are the lift stations that we are looking at with the developments that are coming up on St Mary's and over on Mile 17 Ariana. These items, or the lift station is part of the negotiation. Now the reason that it is pending is because we want to get contracts approved before we move forward. Is that correct council?

OJ: That is correct.

Commissioner Cabrera: Who are the contractors?

Mr. De La Cruz: The contractors they are Mr Villarreal from the Villarreal Brothers out of Mission and Mr. Vela out of Mission also.

Commissioner Cabrera: Yeh, but what is the company's name?

Mr. De La Cruz: What do mean what is the company's name? It is their property.

Commissioner Cabrera: What is the contractors name?

Mr. De La Cruz: That is their property. The property over on 17 belongs to the Villarreal Brothers.

Commissioner Cabrera: Ok

A motion to approve CSJ Group to Proceed with lift station at Villa Estates and Arianna Estates Pending Cost Estimate. A motion was made by Alderman Segura, 2nd by Alderman Flores. 3 voted Aye 1 vote apposed Motion Carried.

Mayor: For the record Mr Cabrera is opposing the item.

Mr. De La Cruz: Mayor, before you proceed just for the record these two developments that are coming up. The developments are going to benefit the city with over \$130,000 in taxes as well as water accounts for the city. So just so you know, I wanted to bring this up because a lift station at both of these locations are going to cost u s about \$120,000. We are going to make that back within one year of the building of the last home. This is going to bring more roofs to the city and I think the City of Edcouch has been left behind long enough when it comes to development and I commend Mr Flores, Mr. Segura, and Gutierrez for approving this item because this is giving the city breathing room when it comes to taxes. Thank you.

Mayor: We agree that has been our goal, for the city to grow and a development is the first step.

V. Discussion and Possible Action to Approve Ordinance 2021-16. Authorizing the issuance of City of Edcouch, Texas Limited Tax refunding bonds, taxable series 2021; a paying agent/registrar agreement and a purchase and investment letter delegating authority to city representative to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto

Mr. De La Cruz: Mayor, before I recommend this item to be approved. I would like to say that this is something that is going to be extremely beneficial for the city. Again, I commend Mr. Flores Segura and Gutierrez because they have gotten us to this point to be able to renew this. This is an issue that has been hurting the city that was brought by prior administrations and it really hurts the city because our debt service really does not let us grow. It is really hard for us to be able to take care of these bonds. And for us to be able to take care of these bonds you need the money. We have one particular bond that comes in June and it is over \$150,000 and its growing. Every year it grows, every year it grows more and more and because it does that every year it puts a bind on the city. So, at this time and before I recommend approval I would like to give the floor to Mr. David Gonzalez. I am going to share his documentation so that you all can follow along with him.

David Gonzalez: Good afternoon mayor and council, for the record my name is David Gonzalez V. As Hugo just mentioned I have a presentation. I visited with some of the council and some of the administration over the last couple of months and I became aware that this 2012 allocation for the city was really putting the city in a tough financial position. It was my understanding that this 2012 bond issue was really choking the city and basically every time the money that you all were able to generate throughout the year you would have to make these large bond payments. So, what we did was spoke to the NADB Bank, which is the North American Development Bank, who does these kinds of long-term loans. As Hugo mentioned, you know this is a Limited Tax Refunding Bond, but this isn't the traditional refunding for savings, this is a restructuring of existing debt. So, you are not saving money the way other refunding's you would save money. Here, it is like if you have a ten-year mortgage, and you are refinancing it to a thirty-year mortgage. So, over the life of the loan, you are going to end up paying more interest but your monthly or your yearly bond payment is going to reduce significantly so what we are actually looking here is instead of paying about 150,000 a year for the next ten years you are going to pay about 45,000 a year but now you have an additional twenty years added to the loan. So, if you look at page number three of this document, and I don't know if Hugo can, go to page number three Hugo please. I'm sorry page number four. So, if you look at the second column from the left you have prior debt service that is your current obligation right now. The city has to make these bond payments every year. So next year you are going to have to pay 139,349.50 by refinancing everything your new debt service will be one column over to the right under refunding debt service. So instead of paying 139 you are paying 35,000. Next year in 2023, instead of paying 140,356 you are paying 45,000 and so on and so forth. So, if you go down to the bottom, it totals it out. You are paying additional interest because you are stretching out the loan twenty years because you are getting that breathing room on an annual basis for the next ten years and you are not having to turn over all the cash flow that you all generate to make this one bond payment from 2012 because that 2012 Obligation was a variable loan. Every year that rate and that amount keeps growing and growing. So, that is the information that we have for you all and I said this is restructuring of your debt, it is not a refunding for saving and I am happy to answer any questions on council and on the report that is also here, but we are having to answer any questions that you all may have on this loan.

Commissioner Flores: This is Commissioner Flores, where is this debt coming from? What is this loan structure from? What is it? What projects or what are they from?

David Gonzalez: So, I wasn't the FA, but this is a 2012 Certificate of Obligation. I am not exactly sure. So, in 2012 I don't know what these bonds were used for I think Hugo was in charge of it but

based on the bond council and some reports it is showing that the bonds were used for water and sewer system improvements, trucks for the city.

Commissioner Flores: Well, the important thing was that it was in 2012 so it was way before our time. So it throws it back on the previous administration that was there before us, right?

Mr. De La Cruz: You are right Mr. Flores, I believe this was an old bond that was refinanced, and it was brought back up water and sewer. I believe these bonds were used for some infrastructure. Some of it was used for water meters and that project in particular.

Commissioner Flores: May I ask who was the mayor in 2012?

Mr. De La Cruz: I can answer these questions Mr. Flores because I did my research on it and the mayor was Robert Schmalzried.

Mayor: Mr. Gonzalez, this is the mayor, I have a couple of quick questions.

David Gonzalez: Yes mayor

Mayor: Ok, so by restructuring this loan, this bond payment again is there any negative consequences to the city as far as audit purposes or credit ratings?

David Gonzalez: No sir, you don't have to worry about that right now. The city does not have a bond reading and what you would be doing by refunding these bonds is you would be basically having an escrow handle the old bonds and you would only be responsible for this. So it wouldn't negatively impact the city in any way as far as any kinds of rules or regulations as far as reporting or material amends or those sorts of things. The only difference is by restructuring you would be paying more interest over thirty years, but you are achieving what you wanted to achieve which is getting some breathing room over the next ten years. That is what this does for you.

Mayor: Correct, and that has been our goal.

Mr. De La Cruz: Mayor, I recommend that you approve this item and that we move forward with Mr Gonzalez., PFM , Mr. Dan Martinez, bond council so that we can proceed with the restructuring of our bond.

A motion to approve Ordinance 2021-16 Authorizing the issuance of City of Edcouch, Texas Limited Tax refunding bonds, taxable series 2021, a paying agent/registrar agreement and a purchase and investment letter 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 was made by Alderman Flores 2nd by Alderman Segura . 3 voted Aye 1 opposes Motion Carried.

Mayor: For the record Mr. Cabrera is the one opposing the item.

W. Discussion and Possible Action to approve submitting a Federal Assistance Application to the Economic Development Administration (EDA) Under the American Rescue Plan seeking funding assistance for an amount not to exceed \$5.0 million dollars and authorizing the Mayor as Authorized Representative to sign all necessary application documents

Mr. De La Cruz: Mayor at this time we recommend that you approve this item.

A motion to approve submitting a Federal Assistance Application to the Economic Development Administration (EDA) Under the American Rescue Plan seeking funding assistance for an amount not to exceed \$5.0 million dollars and authorizing the Mayor as Authorized Representative to sign all necessary application documents was made by Alderman: Segura 2nd by Alderman Gutierrez. All voted Aye/Motion Carried.

- X. Discussion and Possible Action to approve authorizing the Reyna Network, LLC to prepare and submit a Federal Assistance Application to the Economic Development Administration (EDA) Under The American Rescue Plan seeking funding assistance for an amount not to exceed \$5.0 million dollars**

Mr. De La Cruz: Mayor at this time we recommend that you approve this item.

A motion to approve authorizing the Reyna Network, LLC to prepare and submit a Federal Assistance Application to the Economic Development Administration (EDA) Under the American Rescue Plan seeking funding assistance for an amount not to exceed \$5.0 million dollars was made by Alderman Segura 2nd by Alderman Flores. 3 voted Aye 1 opposed Motion Carried.

Mayor: We have 3 ayes, 1 neigh, opposed Mr. Cabrera.

- Y. Discussion and Possible Action to approve the name changing of Pacific Street to C V Mendez Street**

Mr. De La Cruz: Mayor, this is an item that we have been working on and working since we had changed the CV Mendez name to Polo Lara. This change to CV Mendez over on Pacific makes a lot more change because it does reach the area where the old store for CV Mendez was. So we are recommending approval.

A motion to was made to table the name changing of Pacific Street to C V Mendez Street by Alderman Flores 2nd by Alderman Segura. All Voted Aye/Motion Carried

- Z. Adjournment**

At 6:40_ pm, a motion to adjourn was made by Alderman: Segura, 2nd by Alderman: Gutierrez. 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, July 01, 2021.

Passed and Approved by the Board of Aldermen on this 1st day of July 2021.

ATTEST

Manuel Hernandez

City of Edcouch