A REGULAR MEETING
OF THE WESLACO CITY COMMISSION
TUESDAY, JUNE 20, 2017

On Tuesday, June 20, 2017, at 5:41 PM the City Commission of the City of Weslaco, Texas convened in a Regular Meeting at City Hall in the Legislative Chamber, located at 255 South Kansas Avenue with the following members present:

Mayor	David Suarez
Mayor Pro Tem	Gerardo "Jerry" Tafolla
Commissioner	Greg Kerr
Commissioner	Letty Lopez
Commissioner	Josh Pedraza
City Manager	Mike R. Perez
City Secretary	Elizabeth Walker
City Attorney	Juan E. Gonzalez

Also present: Mary Barrera, Finance Director; Veronica Ramirez, Human Resources Director; Jose Pena, Information Technology Director; Pete Garcia, Public Works Director; Tony Lopez, Fire Chief; Gerry Oliva; Police Captain; Mardoqueo Hinojosa, Planning and Code Enforcement Director and City Engineer; David Arce, Parks and Recreation Director; Arnold Becho, Library Director; and other staff members and citizens.

I. CALL TO ORDER

A. Certification of Public Notice.

Mayor David Suarez called the meeting to order and certified the public notice of the meeting as properly posted Friday, June 16, 2017.

B. Invocation.

Mayor Suarez called on a moment of silence for Navy Gunner's Second Mate Noe Hernandez; Pastor Faron Thebeau led in the invocation.

C. Pledge of Allegiance.

Mayor Suarez led the Pledge of Allegiance and Texas Flag.

D. Mayoral recognition.

Mayor Suarez recognized Robert Lopez of the Police Department, Florentino Vela and Gilbert Leal of the Fire Department, Rolando Garza of Planning and Code Enforcement Department and Steve Alvarado of IT Department for completing drone training and passing the pilot examination. John David Franz gave a demonstration of the newly acquired drone.

E. Roll Call.

Elizabeth Walker, City Secretary, called the roll, noting the absence of Commissioners Muñoz and Noriega and a quorum present.

II. PUBLIC COMMENTS

Bobby Villarreal, District Director for U.S. Congressman Vincente Gonzalez, stated the local office is located in Edinburg and ready to serve the City.

III. PUBLIC HEARING

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to open the public hearing for items A and B concurrently at 5:55 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

A. To solicit input on behalf of Leonardo Munoz to rezone 113 Adelita Street, also being Lot 12, Colonia San Francisco Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to R-2 Duplex and Apartments District.

No comments received.

B. To solicit input on behalf of Amirta L. Trejo to rezone 724 N. Padre Avenue also being Lot 24, Block 3, El Texano Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to B-1 Neighborhood Business District.

No comments received.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to close the public hearing at 5:56 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

IV. CONSENT AGENDA

The following items are of a routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by one commission member, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

A. Approval of the Minutes of the Regular Meeting on June 6, 2017 (Staffed by City Secretary's Office.)

B. Approval on second and final reading of the following:

1) Ordinance 2017-27 renaming a portion of West Hidalgo Street located to the North of Cavazos Park between South Palmas Street and South Cedro Street to be hereby known as Cavazos Street. (First reading of Ordinance 2017-27 was held on June 6, 2017; staffed by Planning and Code Enforcement Department.)

2) Ordinance 2017-28 amending Ordinance 2008-38 for the rezone of 115 Adelita Street, Lot 13, Colonia de San Francisco from an R-1 One Family Dwelling District to an R-2 Duplex and Apartment District and authorize the Mayor to execute any related documents. (First reading of Ordinance 2017-28 was held June 6, 2017; Staffed by Planning and Code Enforcement Department.)

C. Approval of a Memorandum of Understanding with Region One for provision of free GED classes and other adult education opportunities within the library and authorize the Mayor to execute any related documents. (Staffed by the Library Department)

D. Approval of the renewal of the annual Host Agency Agreement with AARP Senior Community Service Employment Program allowing the City of Weslaco to accept participants through a short-term work-training program and authorize the Mayor to execute any documents. (Staffed by Human Resources.)

E. Acceptance of a CERT/MRC training trailer from the State of Texas Citizen Corps program awarded to the City of Weslaco Fire Department CERT/MRC community program. (Staffed by Fire Department).

F. Acceptance of proposal for financing of Fire Department Ford F-650 brush truck with aftermarket equipment in the amount of $60,564.12 from Frost Bank Leasing and authorize the Mayor to execute any related documents (Staffed by Finance Department.)

G. Authorization for the solicitation of sealed bids for the purchase of two (2) recycling trailers as recommended by the Recycling Task Force Committee and approve Ordinance 2017-29 authorizing a budget amendment as appropriate and authorize the Mayor to execute any related documents First reading of Ordinance 2017-29. (Staffed by Public Works.)

Mayor Pro-Tem Tafolla, seconded by Commissioner Kerr, moved to approve consent agenda items A through G as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record, the following are the ordinances:

ORDINANCE 2017-27

AN ORDINANCE TO RENAME A PORTION OF WEST HIDALGO STREET LOCATED TO THE NORTH OF CAVAZOS PARK BETWEEN SOUTH PALMAS STREET AND SOUTH CEDRO STREET HEREBY KNOWN AS CAVAZOS STREET, WESLACO, HIDALGO COUNTY, TEXAS; AND ORDAINING OTHER MATTER WITH RESPECT TO THE SUBJECT MATTER HEREOF.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO TEXAS THAT:

SECTION I. To rename a portion of West Hidalgo Street located to the North of Cavazos Park between South Palmas Street and South Cedro Street hereby known as Cavazos Street, Weslaco, Hidalgo County, Texas.

SECTION II. That this ordinance shall become effective upon its passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 6th day of June, 2017.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 20th day of June, 2017.

ORDINANCE 2017-28

AN ORDINANCE AMENDING ORDINANCE NUMBER 2008-38, TO AMEND THE ZONING MAP OF THE CITY OF WESLACO TO CHANGE THE ZONING OF 115 W ADELITA STREET, ALSO BEING LOT 13, COLONIA DE SAN FRANCISCO SUBDIVISION, WESLACO, HIDALGO COUNTY, TEXAS R-1 ONE FAMILY DWELLING DISTRICT TO R-2 DUPLEX AND APARTMENTS DISTRICT; AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO TEXAS THAT:

SECTION I.

Ordinance 2008-38 was passed and approved on November 18, 2008 as the rezone of Lot 15, Colonia de San Francisco Subdivision, Weslaco, Hidalgo County, Texas R-1 One Family Dwelling District To R-2 Duplex and Apartments District.

SECTION II.

After second and final reading of this Ordinance the amended Zoning ordinance will be R-1 One Family Dwelling District to R-2 Duplex and Apartment District being Lot 13, Colonia de San Francisco Subdivision, also being 115 West Adelita Street, Weslaco, Hidalgo County, Texas.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this this 6th day of June, 2017.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 20th day of June, 2017.

SECTION 2. BUDGET LINE ITEMS. The City Commission approves the budget amendments in the attached Exhibit as such change is necessary to meet an unusual and unforeseen condition as the result of an emergency.

SECTION 3. BUDGET TOTAL. The City Commission further finds the amended budget line items identified in such Exhibit will not cause the total expenditures in the budget to exceed the total amount of estimated revenue.

SECTION 4. APPROVAL. The 2016-2017 Official Budget, adopted by Ordinance 2016-31, is hereby reallocated, revised, amended and approved as set forth in the attached Exhibit.

SECTION 5. AUTHORIZATION. The City Manager is authorized to undertake action to execute such transfers in accordance with state law, and file, or cause to be filed, a true and correct copy of this Ordinance, with the attached budget amendment, with the City Secretary.

SECTION 6. SEVERABILITY CLAUSE. It is the intent of the City Commission that each sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be deemed severable and, should any such sentence, paragraph, subdivision, clause, phrase or section be declared invalid or unconstitutional for any reason, such declaration of invalidity or unconstitutionality shall not be construed to affect the validity of those provisions of the Ordinance left standing.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect upon final reading.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 6th day of June, 2017.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 20th day of June, 2017.

CITY OF WESLACO
/s/David Suarez, **MAYOR**

ATTEST:
/s/Elizabeth M. Walker, **CITY SECRETARY**
APPROVED AS TO FORM:
/s/Juan E. Gonzalez, **CITY ATTORNEY**

V. APPOINTMENTS

A. Discussion and consideration to approve Resolution 2017-43 appointing a member to an unexpired term on the Weslaco 100 Centennial Committee and authorize the Mayor to execute any related documents. Possible action. (There was no action on this item June 6, 2017; Staffed by Museum).

Commissioner Pedraza, seconded by Mayor Pro-Tem Tafolla, moved to approve Resolution 2017-43 appointing Enrique Rodriguez as member to an unexpired term on the Weslaco 100 Centennial Committee as presented. The motion carried unanimously; Mayor Suarez was present and voting.

The Mayor noted for the record an exemption for Mr. Rodriguez to concurrently serve on the Parks Advisory Board.

For the record, the following is the resolution:

RESOLUTION NO. 2017 - 43

A RESOLUTION OF THE CITY OF WESLACO APPOINTING MEMBERS TO THE WESLACO 100 COMMITTEE TO PREPARE WESLACO'S CENTENNIAL CELEBRATION AND STRATEGIC PLAN

WHEREAS, The City of Weslaco, Texas, founded 1919, will celebrate its centennial in 2019, and anticipates programs and activities befitting the occasion; and

WHEREAS, This Commission finds merit in establishing an ad hoc citizen's committee to solicit suggestions, make recommendations, and encourage participation toward the planning and facilitating of such programs and activities; and

WHEREAS, After public meetings, all recommendations are required to be submitted to the Weslaco City Commission for approval; and

WHEREAS, The Committee shall concurrently consider issues for the strategic growth of the City over the next 100 years, including planning/sustainable development, governance, health, transportation, education, economic development, public safety, parks, information technology, and housing; and

WHEREAS, there shall be sixteen (16) members in the Weslaco 100 Committee who shall be appointed by the Weslaco City Commission and shall be resident citizens of the City of Weslaco. The term for each Committee member shall be for three (3) years and may be eligible for reappointment;

WHEREAS, The Weslaco 100 Committee members shall serve without compensation

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS

THAT Enrique Rodriguez is appointed to serve on the Weslaco 100 Committee and the term will begin on June 20, 2017 and will expire on April 19, 2019.

PASSED AND APPROVED on this 20th day of June, 2017.

CITY OF WESLACO
/s/David Suarez, **MAYOR**

ATTEST:
/s/Elizabeth M. Walker, **CITY SECRETARY**
APPROVED AS TO FORM:
/s/Juan E. Gonzalez, **CITY ATTORNEY**

VI. OLD BUSINESS

A. Discussion and consideration to approve a five (5) year agreement for a Mobile 311 City of Weslaco App with service request functionality and authorize the Mayor to execute any related documents. Possible action. (There was no action on this item June 6, 2017; Staffed by IT Department)

Jose Pena, IT Director, stated six vendors were evaluated and scored by a staff committee, which recommends awarding Accela. The vendor meets the needs, criteria and budget with a lower cost of ownership and integrates with the existing workflows of the department.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to approve Accela a five (5) year agreement for a Mobile 311 City of Weslaco App with service request functionality as presented. The motion carried unanimously; Mayor Suarez was present and voting.

VII. NEW BUSINESS

A. Discussion and consideration to approve Ordinance 2017-30 on first and final reading authorizing the issuance of "City of Weslaco, Texas Limited Tax Refunding Bonds, Series 2017", a paying agent/registrar agreement, and an escrow 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, approving all other matters related thereto and authorize the Mayor to execute any related documents. First and Final Reading of Ordinance 2017-30. Possible action. (Staffed by Financial Advisor/Bond Counsel).

Mike Perez, City Manager, stated Mayor had inquired on the possibility of refinancing bonds as interest rates could be lower.

Cris Vela, First Southwest advised on the market rates stating the highest was in January 2011 at 5.41%; lowest in July 2016 at 2.80% and currently at 3.53%; he proposed refunding options to assist on targeting savings for callable maturities in 2022. Option 1 would have a saving of $1,298,005, present value benefit of 4.871%, true interest cost of 2.74%, and a negative arbitrage of $877,806.00. Option 2 would have a saving of $1,298,747, present value benefit of 4.712%, true interest cost of 2.737% and a negative arbitrage of $889,636.00. He explained advance refunding has 90 days as the earliest for issuance; debt service savings and debt structure are considered, and defined arbitrage as borrowing tax free but earning interest.

City Manager recommended option two as the best, offering savings and flexibility for the City.

Marc Druck, bond counsel with Winstead, stated as interest rates change daily, the Commission can delegate final pricing authority to staff and establish bond sale parameters to refinance bonds that includes maximum interest rate, minimum savings amount, and finalized within 180 days from approval.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to approve option two and approve authority of parameters for bond sale for the tax refunding bond 2017 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record, following is the ordinance:

Ordinance 2017-30

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF WESLACO, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2017", A PAYING AGENT/REGISTRAR AGREEMENT, AND AN ESCROW 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

WHEREAS, the City of Weslaco, Texas (the "City") has been organized, created, and established pursuant to the laws of the State of Texas as a home rule city and political subdivision of the State of Texas;

WHEREAS, the City Commission of the City (the "City Commission") desires to refund certain of its outstanding bonds listed on Schedule I attached hereto;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a trust company or commercial bank not a depository of the City, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations (defined below);

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with such trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree, provided that such deposits may be invested and reinvested in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations;

WHEREAS, the Escrow Agreement hereafter authorized constitutes an escrow agreement of the kind authorized and permitted by Chapter 1207;

WHEREAS, the City Commission of the City hereby finds and declares a public purpose and deems it advisable to refund the Refunded Obligations in order to effect present value savings; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

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

Section 1. Authorization of the Bonds and Approval Parameters. There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended, a series of bonds of the City to be known as "CITY OF WESLACO, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2017" (the "Bonds"), payable from ad valorem taxes as provided in this Ordinance, for the purposes of refunding the Refunded Obligations and paying costs of issuance thereof.

As authorized by Section 1207.007, Texas Government Code, the Mayor, the City Manager, and the Finance Director, each an "Authorized Representative", are hereby authorized, appointed, and

designated as officers of the City authorized to act on behalf of the City in selling and delivering the Bonds authorized herein and carrying out the procedures specified in this Ordinance, including determining the method of sale, the aggregate principal amount of each maturity of the Bonds and the rate of interest to be borne on the principal amount of each maturity, the allocation of generated from the sale of the Bonds, the redemption provisions therefor, the City contribution, if any, and the obligations to be refunded (the "Refunded Obligations"). Each of the above individuals, acting for and on behalf of the City, is authorized to execute the Pricing Certificate substantially in the form attached hereto as Exhibit A on or before December 20, 2017. The Bonds shall be issued in the principal amount not to exceed $22,500,000; the maximum maturity will not exceed December 31, 2032, net present value savings on the Bonds shall be not less than 2.00%, and the net effective per annum rate, calculated in a manner consistent with the provisions with Chapter 1204 Texas Government Code, shall not exceed 3.50%. The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Initial Purchaser (hereinafter defined). Upon execution of the Pricing Certificate, it shall become a part of this Ordinance and be incorporated by reference herein, and (to the extent necessary or appropriate) Bond Counsel is authorized to complete this Ordinance to reflect such final terms.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds.

The Bonds shall be dated July 15, 2017 and shall be in the denomination of $5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Initial Bond (as hereinafter defined) being number I-1 and the Definitive Bonds (as hereinafter defined) numbered consecutively from R-1 upward, payable to the Initial Purchaser (as hereinafter defined), or to the registered assigned or assignees of the Bonds or any portion or portions thereof (in each case, the "Registered Owner").

The Bonds shall mature on February 15 in each of the years and in the amounts and bear interest as set forth in the Pricing Certificate.

Section 3. General Characteristics. The Bonds shall be issued, shall be payable, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated in the form set forth below.

(a) Registration, Transfer, and Exchange; Authentication: The City shall keep or cause to be kept at the designated payment office of Amegy Bank, a Division of ZB, National Association, Houston, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer and exchange of the Bonds (the "Register"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, and exchanges as herein provided. The Mayor and the City Secretary are authorized to enter into a Paying Agent/Registrar Agreement substantially in the form of Exhibit B attached hereto. The Paying Agent/Registrar shall obtain and record in the Register the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provide; but it shall be the duty of each Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of the Bonds shall be made within three business days after request and presentation thereof. The City shall have the right to inspect the Register during the regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange, and delivery of a substitute Bond or Bonds shall be paid as provided in the "Form of Bonds" set forth in this Ordinance. Registration of assignments, transfers, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the "Form of Bonds" set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in subsection (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any Definitive Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the forgoing transfer and exchange of any Bond or portion thereof, and the

Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds. Pursuant to Chapter 1201, Texas Government Code, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of said certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts (the "Initial Bond").

(b) Payment of Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Owners thereof; (ii) may be transferred and assigned; (iii) may be exchanged for other Bonds; (iv) shall be administered, and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the "Form of Bonds" set forth in this Ordinance. The Initial Bond shall be delivered to the Initial Purchaser and is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each Bond issued in exchange for the Initial Bond or any Bond or Bonds issued under this Ordinance, the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the "Form of Bonds" in this Ordinance.

Section 4. Form of the Bonds. The Form of the Bonds, including the Form of Paying Agent/Registrar's Authentication Certificate, the Form of Assignment, and the Form of the Comptroller's Registration Certificate to accompany the Initial Bond on the initial delivery thereof, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance:

FORM OF BONDS
United States of America
State of Texas
CITY OF WESLACO, TEXAS
LIMITED TAX REFUNDING BOND, SERIES 2017
NUMBER
RDENOMINATION
$_____
REGISTERED
DATED
July 15, 2017
MATURITY DATE
February 15, ____
DELIVERY DATE
August __, 2017
INTEREST
RATE (%) CUSIP NO.
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: _____ DOLLARS ($_____)

THE CITY OF WESLACO, TEXAS (the "City"), a home rule city and political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "Owner") on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of Amegy Bank, a Division of ZB, National Association, Houston, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Dated Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check dated February 15, 2018 and each February 15 and August 15 thereafter,

mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last business day of the month next preceding the interest

payment date or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the City and the Paying Agent/Registrar, the Owner of at least $1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Ordinance defined below.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds, dated as of July 15, 2017 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance adopted by the City Commission of the City on June 20, 2017 and the "Pricing Certificate" authorized therein (together the "Ordinance"), in the original aggregate principal amount of $_____ for the purpose of providing money for refunding certain outstanding obligations of the City described in the Ordinance and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code.

THE BONDS are issued pursuant to the Ordinance whereunder the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limitations prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If a Bond is being exchanged, it shall be in the principal amount of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Bond shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner.

IN CASE any officer of the City whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the

delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The City authorizes the printing of a true and correct copy of an opinion of Winstead PC, Attorneys, relating to the validity and enforceability of the Bonds under Texas law and the status of interest on the Bonds under federal income tax laws on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the City Secretary of the City, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Ordinance, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Bonds.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the City; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each Owner and the City.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

PASSED AND APPROVED on first as final reading on this 20th day of June, 2017.

CITY OF WESLACO
/s/David Suarez, **MAYOR**

ATTEST:
/s/Elizabeth M. Walker, **CITY SECRETARY**
APPROVED AS TO FORM:
/s/Juan E. Gonzalez, **CITY ATTORNEY**

B. Discussion and consideration after public hearing on behalf of Leonardo Muñoz to approve Ordinance 2017-31 rezoning 113 Adelita Street, also being Lot 12, Colonia San Francisco Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to R-2 Duplex and Apartments District and authorize the Mayor to execute any related documents. First reading of Ordinance 2017-31. Possible Action (Staffed by Planning and Code Enforcement).

Mardoqueo Hinojosa, City Engineer/Director of Planning, stated sixteen property owners were notified with no response received. The Planning and Zoning Commission and staff recommend approval as the use conforms to the future land use map.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to approve Ordinance 2017-31 rezoning 113 Adelita Street, also being Lot 12, Colonia San Francisco Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to R-2 Duplex and Apartments District as presented. The motion carried unanimously; Mayor Suarez was present and voting.

C. Discussion and consideration after public hearing on behalf of Amirta L. Trejo to approve Ordinance 2017-32 rezoning 724 N. Padre Avenue also being Lot 24, Block 3, El Texano Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to B-1

Neighborhood Business District and authorize the Mayor to execute any related documents. First reading of Ordinance 2017-32. Possible Action (Staffed by Planning and Code Enforcement).

Mardoqueo Hinojosa stated twenty-one property owners were notified and no objection received. The Planning and Zoning Commission and staff recommend approval.

Mayor Pro-Tem Tafolla, seconded by Commissioner Kerr, moved to approve Ordinance 2017-32 rezoning 724 N. Padre Avenue also being Lot 24, Block 3, El Texano Subdivision, Weslaco, Hidalgo County, Texas, from R-1 One Family Dwelling District to B-1 Neighborhood Business District as presented. The motion carried unanimously; Mayor Suarez was present and voting.

D. Discussion and consideration to approve the Final Plat for Saint's Plaza Subdivision being a 1.25-acre tract of land out of Farm Tract 109, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located 1,800 feet South of the intersection of Mile 10 North and N. Texas Boulevard and authorize the Mayor to execute any related documents. Possible Action (Staffed by Planning and Code Enforcement).

Mardoqueo Hinojosa stated this is a one lot subdivision within the City, serviced on a 2" waterline from North Alamo Water Supply and no sanitary sewer within a quarter mile. The developer is requesting a variance to sanitary sewer and exemption to fire hydrant installation. The property is within flood zone AE. The Planning and Zoning Commission and staff recommend approval with the variance to the sanitary sewer line and denial of variance exemption for the installation of the fire hydrant.

Mayor Pro-Tem Tafolla, seconded by Commissioner Kerr, moved to approve Final Plat for Saint's Plaza Subdivision, being a 1.25-acre tract of land out of Farm Tract 109, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located 1,800 feet south of the intersection of Mile 10 North and N. Texas Boulevard, approving variance to sanitary sewer and denying variance to the installation of a fire hydrant as presented. The motion carried unanimously; Mayor Suarez was present and voting.

E. Discussion and consideration to approve Resolution 2017-49 engaging legal counsel and rate consultants to review the AEP Texas Company's requested approval of an adjustment to its 2018 Energy Efficiency Cost Recovery factor, and authorize the Mayor to execute any related documents. Possible action. (Staffed by the City Manager's Office).

Commissioner Kerr abstained from discussion and vote and filed a conflict disclosure statement.

Mike Perez, City Manager, recommended approval stating AEP has filed an adjustment to its 2018 Energy Efficiency Cost Recovery factor and the resolution allows cities to join and review the application for appropriate action.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to approve Resolution 2017-49 engaging legal counsel and rate consultants to review the AEP Texas Company's requested approval of an adjustment to its 2018 Energy Efficiency Cost Recovery as presented. The motion carried with Commissioner Kerr abstaining; Mayor Suarez was present and voting.

For the record, the following is the resolution:

RESOLUTION NO. R2017-49

RESOLUTION OF THE CITY OF WESLACO APPROVING COOPERATION WITH THE CITIES SERVED BY AEP TO REVIEW AEP TEXAS INC.'S REQUESTED APPROVAL OF AN ADJUSTMENT TO ITS ENERGY EFFICIENCY COST RECOVERY FACTOR; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; 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 LEGAL COUNSEL.

WHEREAS, on or about June 1, 2017, AEP Texas Inc. ("AEP" or "Company"), pursuant to the Public Utility Regulatory Act ("PURA") § 39.905 and Public Utility Commission of Texas ("Commission" or "PUC") Substantive Rule 25.181(f), filed with the Commission an application for a 2018 Energy Efficiency Cost Recovery Factor ("EECRF"), PUC Docket No. 47236; and

WHEREAS, the City of Weslaco will cooperate with similarly situated city members and other city participants located within the AEP service area in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, working with the Cities Served by AEP ("Cities") to review the rates charged by AEP allows members to accomplish more collectively than each city could do acting alone; and

WHEREAS, Cities has a history of participation in PUC dockets and projects, as well as court proceedings, affecting transmission and distribution utility rates in AEP's service area to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, PURA § 33.023 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT RESOLVED BY THE CITY COMMISISON OF THE CITY OF WESLACO, TEXAS:

1. That the City is authorized to participate with Cities in PUC Docket No. 47236.

2. That subject to the right to terminate employment at any time, the City of Weslaco 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.

3. That the City's reasonable rate case expenses shall be reimbursed by AEP.

4. 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.

5. A copy of this Resolution shall be sent to Chris Brewster, Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this the 20TH day of JUNE, 2017.

CITY OF WESLACO
/s/David Suarez, **MAYOR**

ATTEST:
/s/Elizabeth M. Walker, **CITY SECRETARY**
APPROVED AS TO FORM:
/s/Juan E. Gonzalez, **CITY ATTORNEY**

F. Discussion and consideration on the Weslaco Centennial Celebration proposed schedule of events and activities. Possible action. (Staffed by City Manager's Office).

The City Manager met with the Centennial Committee and presented two schedules of events and activities as drafted by the Centennial Committee and its sub-committees. The City Manager proposed a schedule that reflects ideas from both agendas, with events beginning Thursday and ending Tuesday at the Stadium that would allow community-wide participation.

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to approve as recommended by the City Manager. The motion carried unanimously; Mayor Suarez was present and voting.

G. Discussion and consideration on Letter of Intent and approval to proceed with Investment Grade Audit with Siemens Industry Inc. for implementation of an energy savings program and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Mangers Office).

The City Manager stated proposals were solicited and reviewed by sub-committee comprised of Mayor, Mayor Pro-Tem Tafolla, and Commissioner Lopez. The State Energy Conservation Office (SECO) noted there is a 2% loan program that is available for energy savings projects to the City. An assessment of proposed projects would be needed: SECO would charge $200,000.00; Siemens Industry proposes a fee of $85,000.00 that would only be assessed if the projects identified as energy savings were not done. The recommendation is to approve a Letter of Intent with Siemens Industry Inc for the audit of energy savings projects.

Mayor Pro-Tem Tafolla, seconded by Commissioner Kerr, moved to approve Letter of Intent and approval to proceed with Investment Grade Audit with Siemens Industry Inc. for implementation of an energy savings program as presented. The motion carried unanimously; Mayor Suarez was present and voting.

H. Discussion and consideration to approve the purchase of computers using BuyBoard contract as budgeted in an amount not to exceed $35,000.00 and authorize the Mayor to execute any related document. Possible action. (Staffed by Information Technology)

Jose Pena, IT Director, stated last year HP computers were purchased. Quotes were requested for computers with specifications of a micro-tower that includes DVD burner; staff recommends purchase of G4 computers from PCMG as the best offer meeting needs of the departments.

Commissioner Kerr, seconded by Commissioner Lopez, moved to approve the purchase of computers using BuyBoard contract as budgeted in an amount not to exceed $35,000.00 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

I. Discussion and consideration to approve an Interlocal Agreement with the City of Edinburg for a manhole replacement program and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works.)

The City Manager stated $100,000.00 is budgeted for manhole replacement. Two other cities, Edinburg and Pharr, already have prepared bid and specification documents for manhole replacement. The City Manager recommends authorization to enter into an agreement with Edinburg that would allow Weslaco to participate in the specifications documents already prepared and bided out. The interlocal would be authored by the City, reviewed by City Attorney, be more cost effective and is permitted under the Texas Local Government Code.

Commissioner Kerr, seconded by Commissioner Pedraza, moved to approve an Interlocal Agreement with the City of Edinburg for a manhole replacement program as presented. The motion carried unanimously; Mayor Suarez was present and voting.

VIII. EXECUTIVE SESSION

At 7:01 p.m. Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved the regular meeting to convene in executive session. The motion carried unanimously; Mayor Suarez was present and voting.

At 7:59 p.m. Mayor Suarez announced the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public.

IX. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

A. Personnel - Discussion regarding the goals, objectives, and evaluation of the City Manager for the City of Weslaco as authorized by §551.074 of the Texas Government Code.

There was no action on this item.

B. Personnel - Review of applications for Associate Municipal Judge and possible selection of a short list of applicants to be interviewed as authorized by §551.074 of the Texas Government Code

Commissioner Kerr, seconded by Commissioner Lopez, moved to interview Jaime Balli, Juan Ramon Alvarez, Jose A. Ramirez and Miguel Wise for Associate Municipal Judge. The motion carried unanimously, Mayor Suarez was present and voting.

C. Pending Litigation - Consultation with City Attorney regarding City of Weslaco v. Briones Consulting and Engineering as authorized by §551.071 of the Texas Government Code.

There was no action on this item.

D. Pending Litigation - Consultation with City Attorney regarding Cause No. C-6090-14-B, Zequiel Montez, Gabriel Montez, Nora Montez, Irma M. Torres and Norma Garcia v. City of Weslaco as authorized by §551.071 of the Texas Government Code.

There was no action on this item.

E. Economic Development – Consultation with City Attorney regarding Economic Development opportunities and incentive programs related to Project Chicken Hatch "B" as authorized by §551.087 of The Texas Government Code.

Mayor Suarez abstained from discussion in Executive Session and vote and filed a conflict of interest disclosure statement.

Commissioner Kerr, seconded by Commissioner Lopez, moved to authorize Mayor Pro-Tem Tafolla and Joe Olivares to negotiate property within the parameters as discussed in executive session. The motion carried; Mayor Suarez abstained.

F. Economic Development – Consultation with City Attorney regarding amending Development Agreement between City and Weslaco Economic Development Corporation as authorized by §551.087 of The Texas Government Code.

Mayor Pro-Tem Tafolla, seconded by Commissioner Pedraza, moved to authorize amending the Development Agreement as discussed in executive session. The motion carried unanimously; Mayor Suarez was present and voting.

X. ADJOURNMENT

Mayor Pro-Tem Tafolla, seconded by Commissioner Lopez, moved to adjourn at 8:02 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

CITY OF WESLACO

_____
MAYOR, David Suarez

ATTEST:

_____
CITY SECRETARY, Elizabeth Walker

_____
MAYOR PRO-TEM, Gerardo "Jerry" Tafolla

ABSENT
_____
COMMISSIONER, Leo Muñoz

_____
COMMISSIONER, Greg Kerr

ABSENT
_____
COMMISSIONER, Olga Noriega

_____
COMMISSIONER, Letty Lopez

_____
COMMISSIONER, Josh Pedraza