



A REGULAR MEETING OF THE WESLACO CITY COMMISSION TUESDAY, MAY 4, 2021

NOTICE IS HEREBY GIVEN THAT the City Commission of the City of Weslaco, Texas will hold a Regular Meeting in the Legislative Chamber of City Hall, Located at 255 South Kansas Avenue on Tuesday, May 4, 2021 at 5:30 pm pursuant to Section 551.045 of the Texas Open Meetings Act.

A temporary suspension of the Open Meetings Act to allow telephone or videoconference public meetings has been granted by Governor Greg Abbott. In conjunction with the guidance and provisions provided by the Governor and in order to advance the public health goal of limiting face-to-face meetings to slow the spread of the Coronavirus (COVID-19), there will be a **limit of seventy-nine (79) in person attendance to include staff and the governing body.** These actions are being taken to mitigate the spread of COVID-19 by avoiding meetings that bring a large group setting and in accordance with Section 418.016 of the Texas Government Code. The meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

Telephonic conferencing capabilities will be utilized to allow member of the public to participate remotely via Toll Free Dial In Number: 1-877-853-5247; Meeting ID: 946 1533 4573.

Members of the public who wish to participate in Public Comment on an agenda item must send their name, address and phone number via email to nacantu@weslacotx.gov by 12:00 pm on May 4, 2021. A staff member will contact you with instructions via phone call to address your public comments.

I. CALL TO ORDER

- A. Certification of Public Notice.
- B. Invocation.
- C. Pledge of Allegiance.
- D. Mayoral Recognition.
- E. Roll Call.

II. PUBLIC COMMENTS

The Public Comments portion of the meeting promotes a fair and open process for the governance of the City. This portion of the meeting is not intended to be an extended discussion or a debate and is limited to three minutes for each presenter. Due to the Texas Open Meetings Act, the Mayor and City Commissioners do not reply; they listen. Matters under litigation are not to be addressed and comments regarding specific City employees and elected officials may be prohibited.

The Public may comment on anything on the agenda, however if you comment on something not included on the agenda, the Commission cannot take any formal action until it is placed on an agenda and notice of the meeting is properly posted. Registration for Public Comments must be submitted to the City Secretary before the City Commission meeting is called to order. As the Mayor calls upon those who submitted a registration form with the City Secretary, please step to the podium and state your name and address before beginning your presentation.

III. CONSENT AGENDA

The following items are 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 April 20, 2021
(Staffed by City Secretary Department.) Attachment.
- B. Approval of Lease Agreement renewal with Weslaco Little League for the use of the Issac Rodriguez Park Sports Fields and Harlon Block Sports Complex baseball/softball fields and authorize the Mayor to execute any related documents.
(Staffed by Parks and Recreation Department.) Attachment.
- C. Approval of Lease Agreement with the Weslaco Youth Football League to use Harlon Block Sports Complex East and West sports fields for youth 7 on 7 and Flag Football and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.) Attachment.
- D. Approval to purchase two 2021 Chevy Tahoe PPV under BuyBoard Contract #601-19 in the amount of \$73,750 (2 units), police emergency equipment for two units under BuyBoard Contract #388654 in the amount of \$47,088 and two police radios (installed) under BuyBoard Contract #'s 603-20/604-20 in the amount of \$5,741 and authorize the Mayor to execute any related items. (Staffed by Police Department.) Attachment.
- E. Approval to Purchase Two 2021 Chevy Tahoe PPV with emergency equipment under Buy Board Contract #601-19 (unit), Buy Board 603-20 (Equipment) in the amount of \$47,101 each, for a total of \$94,202 These units are replacement units in the Fire Marshals Office and authorize the Mayor to execute any related documents. (Staffed by Fire Department.) Attachment.
- F. Approval to authorize staff to purchase a Certificate of Deposit from Navy Army Credit Union in the amount of \$240,000 for a term of 12-months utilizing the Library Marion Booth Endowment Funds; approve Resolution 2021-31 authorizing signatories to conduct business and authorize the Mayor to execute any related documents. (Staffed by the Library Department.) Attachment.
- G. Approval to authorize staff solicit bids for the purchase of a 40 cubic yard brush truck and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

IV. APPOINTMENTS

- A. Discussion and consideration on Resolution 2021-32 appointing three members for terms set to expire June 8, 2021 on the Weslaco Mid-Valley Airport Advisory Board and authorize the Mayor to execute any related documents. Possible action. (Staffed by Airport Department.) Attachment.

V. OLD BUSINESS

- A. Discussion and consideration on final reading of Ordinance 2021-14 amending ordinance Number 200 the City of Weslaco Traffic Ordinance; Codified as Chapter 134 of the Weslaco Code of Ordinances, adopting new regulations regarding the stopping, standing or parking vehicle near mailboxes; and ordaining other matters. (First reading held April 20, 2021; staffed by City Manager.) Attachment.

VI. NEW BUSINESS

- A. Discussion and consideration on Ordinance 2021-15 authorizing the issuance of "City of Weslaco Certificates of Obligation, Series 2021"; entering into a certificate of obligation purchase agreement and a paying agent/registrar agreement; and approving all matters related thereto and authorize the Mayor to execute any related documents. First reading of Ordinance 2021-15. Possible action. (Staffed by Finance Department.) Attachment.
- B. Discussion and consideration on an Interlocal Agreement between Hidalgo and Cameron Counties Irrigation District No. 9 and City of Weslaco for hike and bike trails and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.) Attachment.
- C. Discussion and consideration on realignment of drainage ditch at Mayor Pablo Pena City Park and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.) Attachment.
- D. Discussion and consideration on the submission of a proposal to the Community Project Funding Request to Congressman Vicente Gonzalez in the amount of \$1,120,630 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Police Department.)
- E. Discussion and consideration on Inter-local Agreement between the City of Edcouch and City of Weslaco for lease space at 1912 Joe Stephens for the use, maintenance and operation of the Mid-Valley Regional Communications Corporation (Center) and authorize the Mayor to execute any related documents. Possible action. (Staffed by Police Department.) Attachment.

- F. Discussion and consideration to award RFB No. 2020-21-12 for a New 4x4 Backhoe Loader to the most lowest and most advantageous bidder Doggett Heavy Machinery, in an amount not to exceed \$89,651 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- G. Discussion and consideration to award the purchase of Four (4) Pickup Trucks RFB No. 2020-21-14 to the most advantageous bidder(s) Caldwell Country Chevrolet (\$34,775), GUNN Buick GMC LTD (\$86,894), Boggus Ford (\$30,784), and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- H. Discussion and consideration to reject bids received under RFB 2020-21-11 and authorize staff to rebid for the purchase of a Low Boy Trailer and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- I. Discussion and consideration to approve an Amendment to the Municipal Materials Management Agreement with BFI dba Republic Services of Rio Grande Valley and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- J. Discussion and consideration to authorize staff to install speed humps at varies locations and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.) Attachment.
- K. Discussion and consideration on agreement with Texas Parks and Wildlife for access into Estero Llano Grande for proposed Pleasantview drainage improvements at the FM 1015 crossing and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.) Attachment.

VII. EXECUTIVE SESSION

Texas Government Code, Section 551 Open Meetings:

§551.145. Closed Meeting Without Certified Agenda or Tape Recording; Offense; Penalty

(a) A member of a government body commits an offense if the member participates in a closed meeting of the governmental body knowing that a certified agenda of the closed meeting is not being kept or that a tape recording of the closed meeting is not being made.

(b) An offense under Subsection (a) is a Class C misdemeanor.

§551.146. Disclosure of Certified Agenda or Tape Recording of Closed Meeting; Offense; Penalty; Civil Liability

(a) An individual, corporation, or partnership that without lawful authority knowingly discloses to a member of the public the certified agenda or tape recording of a meeting that was lawfully closed to the public under this chapter:

(1) commits an offense; and

(2) is liable to a person injured or damaged by the disclosure for:

(A) actual damages, including damages for personal injury or damage, lost wages, defamation, or mental or other emotional distress;

(B) reasonable attorney fees and court costs; and

(C) at the discretion of the trier of fact, exemplary damages.

(b) An offense under Subsection (a)(1) is a Class B misdemeanor.

(c) It is a defense to prosecution under Subsection (a)(1) and an affirmative defense to a civil action under Subsection (a)(2) that:

- (1) the defendant had good reason to believe the disclosure was lawful; or
(2) the disclosure was the result of a mistake of fact concerning the nature or content of the certified agenda or tape recording. (Added by Acts 1993, 73rd Leg., ch 268, § 1, eff. Sept. 1, 1993.)

NOTE: Any documentation related to the following items will be maintained as part of the certified agenda.

- A. Personnel - Discussion regarding the goals, objectives, and evaluation of the City Manager for the City of Weslaco as authorized by section §551.074 of the Texas Government Code.
- B. Personnel - Discussion regarding the Professional Services Agreement for Municipal Court Judge Samuel V. Sanchez as authorized by section §551.074 of the Texas Government Code. Attachment.
- C. Legal Consultation - Consultation with City Attorney relating to the lawsuit with CDM as authorized by section §551.071 of the Texas Government Code.
- D. Legal Consultation - Consultation with City Attorney regarding Christopher De Leon as authorized by section §551.071 of the Texas Government Code.
- E. Legal Consultation - Consultation with City Attorney regarding litigation styled *Ruben Cantu v City of Weslaco, Texas et al; Cause No. 7:21-cv-155* as authorized by section §551.071 of the Texas Government Code.
- F. Economic Development - Consultation with City Attorney regarding financial offer or other incentives for Project Z & L as authorized by section §551.087 of the Texas Government Code.
- G. Economic Development - Consultation with City Attorney regarding financial offer or other incentives for Project Falcon as authorized by section §551.087 of the Texas Government Code.
- H. Economic Development - Consultation with City Attorney regarding financial options for Project Green Light as authorized by section §551.087 of the Texas Government Code.

VIII. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

IX. ADJOURNMENT

I hereby certify this **Notice of a Regular Meeting of the Weslaco City Commission** was posted in accordance with the Open Meetings Act on the outside bulletin board at City Hall of the City of Weslaco, located at the 255 South Kansas Avenue entrance, visible and accessible to the general public during and after regular working hours. This notice was posted on this 30th day of April 2021 on or before 4:00 p.m. and will remain so posted continuously for at least 72-hours preceding the scheduled time of this meeting in accordance with Chapter 551 of the Texas Government Code.

/s/ Norma A. Cantu, City Secretary

NOTE: If any accommodation for a disability is required, please notify the City Secretary Department at (956) 968-3181, Ext. 1001 prior to the meeting date.

Regular Meetings of the Weslaco City Commission stream live online at <http://www.weslacotx.gov/open-government/open-meetings>. Archived video of some meetings are also available.

Removed from Bulletin Board

Date:

Initials:



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-3892	
From:			
Subject: Certification of Public Notice.			
Background: Call to Order, includes the following: A. Certification of Public Notice. B. Invocation. C. Pledge of Allegiance. D. Mayoral Recognition. E. Roll Call.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU ADELAIDA VEGA Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: A. Mayor will Call to Order and certify Public Notice. B. Father Francisco J. Solis from St. Joan of Arc Catholic Church will lead the invocation. C. Mayor will lead Pledge of Allegiance; Mayor Pro-Tem may lead Texas Flag. D. Mayoral Recognition. E. City Secretary will call roll. Four or more Commissioners present constitute a Quorum; otherwise, no action may be taken.			
Attachments, if any: Pledge & Mission 2020 updated			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

The Pledge of Allegiance to the Flag

"I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA AND TO THE REPUBLIC FOR WHICH IT STANDS, ONE NATION UNDER GOD, INDIVISIBLE, WITH LIBERTY AND JUSTICE FOR ALL."

The Pledge of Allegiance to the State Flag

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

**The pledge was amended by House Bill 1034 during the 80th Legislature with the addition of "one state under God." The revised wording became effective on June 15, 2007.*

Preamble to the Constitution of the United States of America

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

STATEMENT OF VISION: AN INTERNATIONAL CENTER OF GROWTH

Friendly people with vision, courage and integrity

STATEMENT OF MISSION: COMMITMENT TO EXCELLENCE IN PUBLIC SERVICE

- *Positive Attitude of Courtesy & Concern
- *Doing it Right the First Time
- *Sensitive to the citizens' needs
- *Friendly Respect for All
- *Service without Hassle



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-3897	
From:			
Subject: Approval of the Minutes of the Regular Meeting on April 20, 2021 (Staffed by City Secretary Department.) Attachment.			
Background: Record of commission action of the regular meeting on April 20, 2021.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
NORMA CANTU ADELAIDA VEGA Mike Perez		Created	
City Manager Comments: Approve.			
Staff Recommendation: Approve.			
Attachments, if any: 21-04-20 minutes -			
Responsibilities upon Approval: Execute and retain.			



**MINUTES OF A REGULAR MEETING
WESLACO CITY COMMISSION
APRIL 20, 2021**

On Tuesday, April 20, 2021, at 5:30 p.m. 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 member's present:

PRESENT:	Mayor	David Suarez
	Mayor Pro Tem	Leo Muñoz
	Commissioner	Greg Kerr
	Commissioner	Adrian Farias
	Commissioner	Josh Pedraza
	Commissioner	Letty Lopez
	Commissioner	J.P. Rodriguez

ABSENT: None.

STAFF PRESENT:	Mike R. Perez	City Manager
	Andrew Muñoz	Asst. City Manager
	Norma A. Cantu	City Secretary
	Juan E. Gonzalez	City Attorney

Also present: Vidal Roman, Finance Director, Robert Lopez, Asst. Police Chief, Antonio "Tony" Lopez, Fire Chief, Juan Salas, IT Department, Omar Rodriguez, Parks & Recreation Director, Rebekah de la Fuente, Director of Planning and Code Enforcement, Albert Aldana, City Engineer, Arnold Becho, Library Director, Martin Vela, IT Director, Pete Garcia, Public Works Director, David Arce, Deputy Public Works Director, Olga Garza, Asst. Public Works Director, George Quilantan, Inframark and Aida Vega, Deputy City Secretary.

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, April 20, 2021.

B. Invocation.

Pastor David McCann, First Presbyterian Church led in the invocation.

C. Pledge of Allegiance.

Mayor Suarez led the Pledge of Allegiance and Texas Flag.

D. Mayoral Recognition.

None.

E. Roll Call.

Norma A. Cantu, City Secretary, called the roll with perfect attendance and a quorum present.

II. PUBLIC COMMENTS

None.

III. PUBLIC HEARING

Commissioner Kerr, seconded by Commissioner Pedraza moved to open the public hearing at 5:40 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

A. To solicit input on behalf of Adriana Hernandez to approve a Conditional Use Permit to obtain an On-Premise Wine and Beer Retailer's Permit at 310 W Expy 83 Suite 3, also being Lot 2, 400 W Expressway 83 subdivision, Weslaco, Hidalgo County, Texas and authorize the Mayor to execute any related documents.

Commissioner Kerr, seconded by Commissioner Lopez moved to close the public hearing at 5:41 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

IV. CONSENT AGENDA

The following items are 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 April 6, 2021 (Staffed by City Secretary Department.)

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

1) Approve Ordinance 2021-13 adopting mid-year budget amendments in funds with various amounts and authorize the Mayor to execute any related documents. (First reading held April 6, 2021; staffed by Finance Department.)

C. Approval to continue with the Memorandum of Understanding (MOU) between U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) and Weslaco Police Department (WPD) and authorize the Mayor to execute any related documents. (Staffed by Police Department.)

D. Approval to advertise and solicit Request for Bids (RFBs) for the purchase of a Utility Tractor and authorize the Mayor to execute any related documents. (Staffed by the Airport Department.)

E. Approval to advertise and solicit Request for Bids (RFBs) for the purchase of an Electric Aircraft Tug and authorize the Mayor to execute any related documents. (Staffed by the Airport Department.)

Commissioner Kerr seconded by Commissioner Lopez moved to approve consent agenda A, B, C, D, and E withholding item F as presented. The motion carried with unanimously; Mayor Suarez was present and voting.

Following for the record is the ordinance

ORDINANCE 2021-13

AN ORDINANCE AMENDING ORDINANCE NUMBER 2020-27, APPROVING AND ADOPTING A BUDGET FOR THE CITY OF WESLACO, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021, FINDING NEED TO AMEND THE 2020-2021 MUNICIPAL BUDGET; TO WIT; GENERAL FUND, \$4,603,577 IN EXPENDITURES & \$1,791,997 IN REVENUE; WATER/WASTER COMBINED, \$136,633 IN EXPENDITURES; SOLID WASTE FUND BY \$423,376; AIRPORT BY \$504,600; FIRE DEPT REPLACEMENT FUND INCREASE REVENUE BY \$82,748 AND ECONOMIC INCENTIVES FUND BY \$151,037 PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE, AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

WHEREAS, the City Commission of the City of Weslaco utilized diligent thought and attention to the preparation of the 2020-2021 budget; and

WHEREAS, unusual and unforeseen conditions have arisen during the fiscal year which have, or will require, the expenditure of additional funds constituting an emergency expenditure; and

WHEREAS, Section 102.009 of the Texas Local Government Code authorizes the City to amend its budget in such a manner as to provide for emergency expenditures as an amendment to the original budget in a case of grave public necessity to meet an unusual and unforeseen condition; and

WHEREAS, the City Commission finds the amendments in the line items identified in the attached Exhibit are reasonable, necessary, and for municipal purposes.

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

SECTION 1. FINDINGS. The City Commission finds the statements made in the preamble above are true.

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 2020-2021 Official Budget, adopted by Ordinance 2020-27, is hereby reallocated, revised, amended and approved as set forth in the attached Exhibits.

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 April 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 20th day of April 2021.

EXHIBITS

CITY OF WESLACO BUDGET AMENDMENT FY 2020-2021



FUND: GENERAL
DEPARTMENT: VARIOUS BUDGET CHANGE# -----
DATE: April 6, 2021

FUND	GLLACCT#	DESCRIPTIONS	CURRENT BUDGET	DR	CR	REVISED BUDGET
101	4000-	Various Revenue Accounts	29,545,451		1,791,997	31,337,448
101	5000-	Various Depts/Accounts	27,033,112	2,170,792		29,203,904
101	5140-581121	Transfer Out -Econ Incentive	1,428,270	151,037		1,579,307
101	5140-580415	Transfer Out -FDER	425,000	82,748		507,748
101	5140-580410	Transfer Out -CIP	570,000	2,069,000		2,639,000
101	5140-580550	Transfer Out - Airport	250,000	130,000		380,000
101		Fund Balance - PY Adjustmnt	8,551,795		2,705,271	11,257,066
			\$ 67,803,628	\$ 4,603,577	\$ 4,497,268	\$ 76,904,473

(Round up all amounts to the nearest dollar)

Justification:	
Mid Year Budget Amendments with funding for additional projects and adjustment of budgeted prior year estimates to actuals. (See attachments).	Department Head Approval Date
	Finance Director Date
	Manager Date



CITY OF WESLACO
BUDGET AMENDMENT
FISCAL YEAR 2021

FUND: Water/wastewater
DEPARTMENT: VARIOUS
DATE: April 6, 2021

BUDGET AMENDMENT# _____

FUND	G/LACCT #	DESCRIPTIONS	CURRENT BUDGET	INCREASE DR	DECREASE CR	REVISED BUDGET
-	5000	SEE ATTACHMENT		\$ 96 879		\$ 96 879
508		SEE ATTACHMENT	\$	\$ 39,754		\$ 39 754
501-508		FUND BALANCE (DON'T POST)	\$ (1,438,072)	\$ (136,633)	\$	\$ (1,574,05)
			\$ (1,438,072)	\$	\$	\$ (1,438,072)

(Round up all amounts to the nearest dollar)

Justification:

SEE ATTACHMENT

City of Weslaco

Department Head Approval

Date

Finance Director

Date

City Manager

Date



CITY OF WESLACO
BUDGET AMENDMENT
FISCAL YEAR 2021

FUND: Solid Waste
DEPARTMENT: VARIOUS
DATE: April 6, 2021

BUDGET AMENDMENT# _____

FUND	G/LACCT#	DESCRIPTIONS	CURRENT BUDGET	DR	CR	REVISED BUDGET
540	- 4000 -	VARIOUS ACCOUNT	\$ 51590!800	\$	\$ 3,289,100	\$ 2!301,700
540	- 5000	VARIOUS ACCOUNT	5,160!048	3,712!476		8!872,524
540		FUND BALANCE (DON'T POST)	1,960/36		423!376	1!537!360
			\$ 12,711,584	\$ 3,712,476	\$ 3,712,476	\$ 12,711,584

(Round up all amounts to the nearest dollar)

Justification:

SEE ATTACHMENT

City of Weslaco

Department Head Approval

Date

Finance Director

Date

City Manager

Date



**CITY OF WESLACO
BUDGET AMENDMENT
FISCAL YEAR 2021**

FUND: Airport
DEPARTMENT: VARIOUS
DATE: April 6, 2021

BUDGET AMENDMENT # _____

FUND	G/L ACCT#	DESCRIPTIONS	CURRENT BUDGET	DR	CR	REVISED BUDGET
550	- 4000 -	VARIOUS ACCOUNT	\$ 5,590,800	\$	\$ 672,000	\$ 4,918,800
550	- 5000	VARIOUS ACCOUNT	5,160,048	167,400		5,327,448
550		FUND BALANCE (DON'T POST)	(631,815)		504,600	(127,215)
			\$ 10,119,033	\$ 167,400	\$ 1,176,600	\$ 10,119,033

(Round up all amounts to the nearest dollar)

Justification: _____

SEE ATTACHEMENT

City of Weslaco

Department Head Approval

Date

Finance Director

Date

City Manager

Date



**CITY OF WESLACO
BUDGET AMENDMENT
FISCAL YEAR 2021**

FUND: FDER
DEPARTMENT: VARIOUS
DATE: April 6, 2021

BUDGET AMENDMENT# _____

FUND	G/L ACCT#	DESCRIPTIONS	CURRENT BUDGET	DR	CR	REVISED BUDGET
415	- 4000 - 490100	Transfer In	\$ 425,000	\$	\$ 82,748	\$ 507,748
415		FUND BALANCE (DON'T POST)	317,513			317,513
			\$ 742,513		\$ 82,748	\$ 825,261

(Round up all amounts to the nearest dollar)

Justification: _____

SEE ATTACHEMENT

City of Weslaco

Department Head Approval

Date

Finance Director

Date

City Manager

Date



CITY OF WESLACO
BUDGET AMENDMENT
FISCAL YEAR 2021

FUND: Economic Incentive
DEPARTMENT: VARIOUS
DATE: April 6, 2021

BUDGET AMENDMENT# _____

FUND	G/L ACCT #	DESCRIPTIONS	CURRENT BUDGET			REVISED BUDGET
121	4000 490100	Transfer In	\$ 1,428,270	\$	\$ 151,037	\$ 1,579,307
121		FUND BALANCE (DON'T POST)				
			\$ 1,428,270	\$	\$ 151,037	\$ 1,579,307

(Round up all amounts to the nearest dollar)

Justification:
SEE ATTACHEMENT

City of Weslaco	Department Head Approval	Date
	Finance Director	Date
	City Manager	Date

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

F. Approval of Resolution 2021-28 finding that AEP Texas Central Company's filed an application for approval of a distribution cost recovery factor to increase distribution rates within the city should be denied and authorize the Mayor to execute any related documents. (Staffed by Finance Department.)

Commissioner Kerr abstained from discussion and vote.

Mayor Pro Tem Muñoz seconded by Commissioner Lopez moved to approve consent agenda F as presented. The motion carried; Commissioner Kerr abstained; Mayor Suarez was present and voting.

Following for the record is the resolution.

RESOLUTION NO. 2021-28

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

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

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

WHEREAS, on or about April 6, 2021 AEP filed with the City an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 51984, seeking to increase electric distribution rates by approximately \$54.56 million (an approximately \$2.60 increase to the average residential customer's bill from the rates just approved in the Company's rate case); and

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

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

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

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

Section 1. That the City is authorized to participate with Cities in PUC Docket No. 51984.

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

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

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

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by AEP within 30 days of presentation of an invoice to AEP.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

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

PASSED AND APPROVED this 20th day of April 2021.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

V. APPOINTMENTS

A. Discussion and consideration on Resolution 2021-29 appointing two members to the Library Board for terms set to expire May 7, 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Library Department.)

Arnold Becho, Library Director, recommended appointment of Rey Banda and Paula Villanueva; members are interested in continuing to serve.

Commissioner Pedraza seconded by Commissioner Lopez moved to appoint Paula Villanueva and Rey Banda to the Library Board as presented. The motion carried unanimously; Mayor Suarez was present and voting.

Following for the record is the resolution.

RESOLUTION NO. 2021-29

A RESOLUTION OF THE CITY OF WESLACO APPOINTING MEMBERS TO THE LIBRARY BOARD.

WHEREAS, the City of Weslaco has established the Library Board pursuant to Section 17-17 of the Weslaco Municipal Code Book; and

WHEREAS, the terms of the members of this board are for two years; and

WHEREAS, the Library Board members shall serve without compensation and unlimited terms; and

WHEREAS, the terms of two members are set to expire May 7, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS the following individuals are appointed to serve a two-year term on the Library Board.

PASSED AND APPROVED this 20th day of April 2021.

<u>NAME</u>	<u>TERM ENDING</u>
Rey Banda	05/08/2023
Paula Villanueva	05/08/2023

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:

/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

/s/Juan E. Gonzalez, CITY ATTORNEY

V. NEW BUSINESS

A. Discussion and consideration after public hearing on behalf of Adriana Hernandez to approve a Conditional Use Permit to obtain an On-Premise Wine and Beer Retailer's Permit at 310 W Expy 83 Suite 3, also being Lot 2, 400 W Expressway 83 subdivision, Weslaco, Hidalgo County, Texas and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente, Planning and Code Enforcement Director, stated nineteen property owners were notified with no objection; located along frontage where STX Gym was; proposed hours of operation will be 11:00 a.m. to 8:00 p.m. Tuesday through Thursday and 12:00 p.m. to 9:00 p.m. Friday through Saturday. The Planning and Zoning Commission and staff recommended approval.

Commissioner Kerr, seconded by Commissioner Pedraza moved to approve a Conditional Use Permit to obtain an On-Premise Wine and Beer Retailer's Permit at 310 W. Expy 83 Suite 3, being lot 2, 400 W. Expressway 83 Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

B. Discussion and consideration for the Final Plat for Weslaco Public Services Subdivision– being 9.03 acres out of Farm Tract 54, Block 142, West Tract Subdivision, Weslaco, Hidalgo County, Texas located on Bridge Ave and Witmer St and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated this is a three (3) lot subdivision; inside the City and being serviced with water and sewer by the City; proposed subdivision is for the new administrative services of the police and fire department. The Planning and Zoning Commission and staff recommended approval.

Mayor Pro Tem Muñoz seconded by Commissioner Lopez moved to approve Final Plat for Weslaco Public Services Subdivision being 9.03 acres out of Farm Tract 54, Block 142, West Tract Subdivision located on Bridge Ave. and Witmer St. as presented. The motion carried unanimously; Mayor Suarez was present and voting.

C. Discussion and consideration to approve the Final Plat for Pleasant View Estates Subdivision– being 10.984 acres out of Farm Tract 772, Block 137, West Tract Subdivision, Weslaco, Hidalgo County, Texas located on westside of Pleasant View Drive, 1320' North Mile 5 North Road and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated this was a proposed fifty-one (51) lot subdivision outside City limits; serviced with water and sewer by the city; developer requested several variances; 1) front setback to be 15' instead of 20' in a cul-de-sac; 2) rear setback of 10' instead of the City required 25 feet; and 3) a variance to permit off-site drainage. Staff noted a development agreement will be required to oversee construction of improvements as water and sewer will be from the City. The Planning and Zoning Commission recommended approvals with variances; staff recommended approval with compliance of the ordinance.

Commissioner Pedraza seconded by Commissioner Lopez moved to approve Final Plat for Pleasant View Estates Subdivision being 10.984 acres out of Farm Tract 772, Block 137, West Tract Subdivision, Weslaco located on westside of Pleasant View Drive, 1320" North Mile 5 North Road with variances as presented. The motion carried unanimously; Mayor Suarez was present and voting.

D. Discussion and consideration for six-month extension for the Final Plat for San Jacinto Estates No.10. Phase I Subdivision – being 13.49-acre tract of land out of Farm Tract 94, West & Adams Tract Subdivision, Hidalgo County, Weslaco, Texas. Approximately on the Northwest corner of Mile 10 North Road and Mile 4 West Road and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated this was a proposed one hundred forty-four (144) lot subdivision; outside city limits; is the second six-month extension; developer needs more time for completion of the construction of utilities. The Planning and Zoning Commission and staff recommended approval.

Commissioner Kerr, seconded by Commissioner Pedraza moved to approve a six-month extension for Final Plat for San Jacinto Estates No. 10, Phase I Subdivision being 13.49-acre tract of land out of Farm Tract 94, West and Adams Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

E. Discussion and consideration for six-month extension for the Final Plat for Tejas Cuatro Phase III Subdivision – being a 21.21 acre tract of land out of Farm Tract 172, West and Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located approximately 2000 ft North of the intersection of W. Sugar Cane Dr. along Mile 5 ½ West. and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated this was a proposed sixty-four (64) lot subdivision; outside city limits; is the second six-month extension; developer needs more time for completion to submit for recording. The Planning and Zoning Commission and staff recommended approval.

Commissioner Kerr seconded by Commissioner Lopez moved to approve six-month extension for Final Plat for Tejas Cuatro Phase III Subdivision being a 21.21-acre tract of land out of Farm Tract 172, West and Adams Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

F. Discussion and consideration for six-month extension for the Final Plat for Pleasant View Heights Subdivision– being 20.33 acres out of Re- Subdivision of Lots 3 & 4, Rev M. Perez Dream Acres Subdivision, Weslaco, Hidalgo County, Texas located approximately 1500 ft. South of Interstate 2 along Pleasantview Dr. and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning & Code Enforcement Department.)

Rebekah de la Fuente stated this was a proposed twenty-five (25) lot subdivision; inside city limits; developer needs more time for completion of documents to submit for recording. The Planning and Zoning Commission and staff recommended approval for a six-month extension.

Mayor Pro Tem Muñoz seconded by Commissioner Pedraza moved to approve six-month extension for Final Plat for Pleasant View Heights Subdivision being 20.33 acres out of Re-Subdivision of Lots 3 & 4, Rev M. Perez Dream Acres Subdivision as presented. The motion carried unanimously; Mayor Suarez was present and voting.

G. Discussion and consideration to accept and file the Quarterly Investment Report for the period ending March 31, 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Finance Department.)

Vidal Roman, Finance Director, stated there were no significant changes to report; cash on hand is a healthy balance; interest revenue down as a result of low interest rates. Staff recommended approval to accept and file and report is in full compliance with the Public Investment Policy of the city.

Commissioner Kerr seconded by Commissioner Lopez moved to accept and file the Quarterly Investment Report for period ending March 31, 2021 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

H. Discussion and consideration to accept and file the Financial Reports for the General, Water/Wastewater and Solid Waste funds for the period ending March 31, 2021 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Finance Department.)

Vidal Roman presented the financial reports ending March 31, 2021 (asset sheets and Performance report) for the General, Water/Wastewater, Sanitation and Airport Funds; general fund remains healthy and all other funds have improved as well from last quarter. Staff recommended approval.

Commissioner Kerr second by Mayor Pro Tem Muñoz moved to accept and file the Financial Reports for the General, Water/Wastewater and Solid Waste funds for period ending March 31, 2021 as presented. The motion carried unanimously; Mayor Suarez was present and voting.

I. Discussion and consideration to accept and award the most advantageous bidder Pico Propane & Fuels fuel price agreement and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

David Arce, Deputy Public Works Director, stated five (5) bids for fuel services for Police Dept. Fire Dept. and all white fleet units were received and evaluated. Staff recommended to award the second lowest respondent Pico Propane and Fuels stating they have a local fleet of 7 tankers; is a local business readily available to the public safety departments if fuel system is down and during emergency operations respondent will have a tanker stationed at Public Works and/or at EOC staging area when requested.

Commissioner Pedraza seconded by Commissioner Lopez moved to accept and award Pico Propane & Fuels fuel price agreement as presented. Motion carried unanimously; Mayor Suarez was present and voting.

J. Discussion and consideration to accept and award the purchase of a Low Boy Trailer, as specified on RFB No. 2020-21-11 to the lowest and most advantageous bidder Don Van Orden Equipment, in an amount not to exceed \$51,347 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

Commissioner Lopez seconded by Commissioner Kerr moved to discuss.

David Arce stated six bids were received; the purchase would replace a 1991 lowboy trailer: trailer unusable and costly to repair; used to move excavators and other heavy equipment from site to site. Staff recommended lowest bidder Don Van Orden Equipment in the amount of \$53,847 but actual cost would be lower as respondent offered the best trade in value for city's equipment in the amount of at \$2,500. The final cost of the trailer with all fees, delivered and haul away will be \$51,347 and delivery time is 210-240 days. All the vendors included a one-year parts and labor warranty.

Commissioner Pedraza questioned the safety and usage of the equipment and concerned with delivery time of 210-240 days stating the respondent Nexa Trailers had the trailer available. David Arce stated the equipment is used as needed varying two or three times a week.

In response to Commissioner Farias, the City Manager stated the commission could award to another bidder justifying availability and hazardous condition of the existing equipment. Mayor Suarez recommended the equipment be available sooner and discuss with Nexa Trailers a trade in value. David Arce stated he was not clear of in stock availability. Mayor Pro Tem Muñoz stated if not in stock then it would need to come back to the commission to award to another respondent.

Commissioner Farias seconded by Commissioner Kerr moved to award the third lowest respondent Nexa Trailers not to exceed \$57,844 in the City's best interest of in-stock availability and safety and welfare concerns of existing equipment; authorized staff negotiate a trade in value and back to the commission if equipment no longer in stock. Motion carried unanimously; Mayor Suarez was present and voting.

K. Discussion and consideration to award the purchase for a 2019 Skid Steer and sandbagger to Doggett Heavy Machinery LLC. through BuyBoard Contract #597-19 not to exceed \$69,612

and authorize Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

Commissioner Farias abstained from voting and discussion.

David Arce stated nine quotes from buyboard vendors were received; sand bagging unit was included with exception of one vendor. Staff recommended to award Doggett Heavy Machinery not to exceed \$69,612 for a 2019 John Deere 332G skid steer (on wheels) with 18,000 bags and sand bagger and a grapple bucket attachment and has 24-month 2000-hour warranty that begins upon acceptance of equipment.

Commissioner Kerr seconded by Commissioner Lopez moved to award the purchase for a 2019 Skid Steer and sandbagger to Doggett Heavy Machinery LLC through Buyboard contract #597-19 not to exceed \$69,612 as presented. Motion carried; Commissioner Farias abstained; Mayor Suarez was present and voting.

L. Report of brush collection services due to February 2021 freeze weather event. (Staffed by Public Works Department.)

Olga Garza, Assistant Public Works Director, reported brush piles are excessive stating one residential site alone had five truck loads; City of Harlingen assisted with equipment (one truck); staff working 10-11 hour work days to include Saturdays; presented totals of tons collected with March 2021 being 980 tons utilizing six trucks (includes cleanup from freeze); staff foresees April will be close to 980 tons; suggested pickup be once month but an obstacle is resources. Presented options to meet the demand of brush collection that included 1) rental of equipment (\$5,100 per month); 2) purchase of another truck either new or used but availability may not be until August for a 30-cubic yard or May 2022 for a 40-cubic yard and 3) hire temporary personnel.

Discussion with staff included possible reimbursement from FEMA; outside illegal dumping in the City; averaging 1 ½ pick-up monthly if there are no delays from sites; additional equipment (rental) may require training of employees and/or hiring temporary labor; twice a month pick-up may not be feasible at this time; advise residents city is working diligently in brush collection. Staff suggested temporary personnel for now, looking at 11-hour workday to allow employees to be off the weekend and utilize employees from other departments.

No action report only. The consensus from the commission was to bring back for action to approve temporary personnel and purchase of additional equipment.

M. Discussion and consideration to award RFB No. 2020-21-09 Weslaco Mid-Valley Airport Hangar Expansion and Infrastructure Development (EDA #08-79-05334), and authorize the Mayor to execute any related items. Possible action. (Staffed by Airport Department.)

Andrew Muñoz, Airport/Interim Human Resources Director, stated bids were solicited for two buildings; one building to have four pre-leased hangers and one building to have two (2) pre-leased hangers; seven (7) base bids received all exceeding the budgeted amount; Tri-Gen Construction base bid was the low bidder in the amount of \$1,769,500 for both building leaving a shortfall of \$352,833; scope of work revised for an alternate bid for the construction of four (4) hangers only. The Airport Advisory Board and staff recommended to move forward with the revised scope of work and award low bidder Tri-Gen Construction in the amount \$1,338,226.21, which is within the project's budget.

The City Manager recommended to award base bid to Tri-Gen Construction in the amount of \$1,769,500 any shortfall to come from the fund balance stating it would be more cost effective to build now; hangers are in demand and the monies from the fund balance may be reimbursable from federal grants.

Commissioner Kerr seconded by Commissioner Pedraza moved to award Tri-Gen Construction base bid in the amount of \$1,769,500 for the Weslaco Mid-Valley Airport Hangar Expansion and Infrastructure Development project as presented. Motion carried unanimously; Mayor Suarez was present and voting.

N. Discussion and consideration on Ordinance 2021-14 amending ordinance Number 200 the City of Weslaco Traffic Ordinance; Codified as Chapter 134 of the Weslaco Code of Ordinances, adopting new regulations regarding the stopping, standing or parking vehicle near mailboxes; and ordaining other matters. First reading of Ordinance 2021-14. Possible action. (Staffed by City Manager.)

The City Manager stated complaints of obstruction in front of their mailboxes have been received by the City Manager and Code Enforcement; staff researched and found surrounding cities have a policy in place to prohibit parking in front of mailboxes.

Rebekah de la Fuente overviewed the proposed ordinance that would restrict a vehicle to be within 10 feet from a mailbox between the hours of 8:00 a.m. to 5:00 p.m., Monday through Saturdays, except on federal holidays and except momentarily to load or unload passengers or merchandise; ordinance shall not apply to non-conforming residential size lots or lots whose frontage width is less than 50 feet.

In response to Commissioner Farias and Mayor Pro Tem Muñoz ; Rebekah stated violations of the ordinance will be complaint based only and no restriction in place on the location of a mailbox and the US Postal is no longer allowing individual mailboxes new developments will have “cluster mailboxes”. Mayor Pro Tem Muñoz recommended a mailbox be a minimum of 10’ from the property line.

The City Manager recommended to approve on first reading and incorporate changes as discussed to include design layout of permitted locations of a mailbox for second and final reading.

Mayor Pro Tem Muñoz seconded by Commissioner Lopez moved to approve Ordinance 2021-14 on first reading with amendments as discussed. Motion carried unanimously; Mayor Suarez was present and voting.

O. Discussion and consideration on Resolution 2021-30 in support of funding request by Hidalgo County from President Biden’s American Jobs Plan (infrastructure bill) for the expansion of the Hidalgo County Master Drainage System and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager.)

The City Manager recommended approval stating the resolution supports Hidalgo County on their request of funding to President Biden’s American Jobs Plan for the expansion efforts of the Hidalgo County Master Drainage System.

Commissioner Pedraza seconded by Commissioner Lopez moved to approve Resolution 2021-30 in support of funding request by Hidalgo County from President Biden’s American Jobs Plan (infrastructure bill) for expansion of Hidalgo County Master Drainage System as presented. Motion carried unanimously; Mayor Suarez was present and voting.

Following for the record is the resolution.

RESOLUTION 2021-30

A RESOLUTION IN SUPPORT OF FUNDING REQUEST FROM JOE BIDEN’S
AMERICAN PLAN (INFRASTRUCTURE BILL) BY HIDLAGO COUNTY
FOR UPGRADES TO THE HIDALGO COUNTY MASTER DRAINAGE SYSTEM

WHEREAS, chronic flooding in Hidalgo County has affected the economy, health, and safety of citizens of Hidalgo County, the State of Texas, and the United States; and

WHEREAS, Hidalgo County is the seventh largest county by population in the State of Texas, with a population of approximately one million citizens: and

WHEREAS, Hidalgo County provides a critical component in the economic wellbeing of the United States due to its multiple international bridges and transportation infrastructure which directly and indirectly support millions of jobs in both the State of Texas and the United States; and

WHEREAS, Hidalgo County is seeking funding from President Joe Biden's American Jobs Plan to fund upgrades to the Hidalgo County Master Drainage System; and

WHEREAS, during flood events, the transportation of billions of dollars in goods and produce in Hidalgo County come to a complete halt, affecting the jobs and economy of the United States; and

WHEREAS, the proposed expansion project will help bring the Hidalgo County Master Drainage System up to date to prevent flooding and foster economic growth on a yearly basis; and

WHEREAS, drainage infrastructure projects are critical in providing community and economic resilience as well as in safeguarding the health and safety of citizens; and

WHEREAS, President Joe Biden's American Jobs Plan will appropriate funding for critical infrastructure with the end goal of making the infrastructure in our country more resilient; and

WHEREAS, one of the American Jobs Plan's intent is to safeguard critical infrastructure and services, and to defend vulnerable communities much like Hidalgo County, one of the poorest and most vulnerable counties in the United States; and

WHEREAS, the funding for the updates to Hidalgo County Master Drainage System will have an immediate and measurable effect in reducing flooding and creating economic opportunities for generations to come in both Hidalgo County and the United States.

NOW THEREFORE, BE IT RESOLVED that the Weslaco City Commission supports the allocation of funding from President Biden's American Jobs Plan for the expansion of the Hidalgo County Master.

PASSED AND APPROVED on this 20th day of April 2021.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

VII. EXECUTIVE SESSION

At 6:26 p.m. Commissioner Pedraza seconded by Commissioner Kerr moved to convene the regular meeting in Executive Session. The motion carried unanimously; Mayor Suarez was present and voting.

At 7:28 p.m. Mayor Suarez stated the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public.

VII. 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 section §551.074 of the Texas Government Code.

No action.

B. Legal Consultation - Consultation with City Attorney relating to the lawsuit with CDM as authorized by section §551.071 of the Texas Government Code.

No action.

C. Legal Consultation - Consultation with City Attorney for opinion regarding possible claim against Texas Cordia Construction and SAMES as authorized by section §551.071 of the Texas Government Code.

Commissioner Kerr seconded by Commission Lopez moved to authorize the City Attorney to send a demand letter to Texas Cordia Construction and SAMES as discussed in executive session. The motion carried unanimously; Mayor Suarez was present and voting.

D. Legal Consultation - Consultation with City Attorney regarding Christopher De Leon as authorized by section §551.071 of the Texas Government Code.

No action.

E. Real Property - Consultation with City Attorney on Real Estate Contract for property described as a 65.88-acre tract of land out of Farm Tracts 1056, 1057 and 1058 West Adams Tract Subdivision as authorized by section §551.072 of the Texas Government Code.

Commissioner Kerr abstained from vote and discussion.

Commissioner Pedraza seconded by Commissioner Lopez moved to authorize the Mayor to execute the Real Estate Contract with San Jacinto Properties for property described as a 65.88-acre tract of land out of Farm Tracts 1056, 1057 and 1058 West Adams Tract Subdivision. The motion carried; Commissioner Kerr abstained; Mayor Suarez was present and voting.

F. Real Property - Consultation with City Attorney on the purchase, sale, exchange, lease or value of real property located on Dragon Fly Street as authorized by section §551.072 of the Texas Government Code.

No action.

G. Contract Negotiations – Discussion with the City Manager and City Attorney relating to the City’s rights, duties, privileges, and obligations in connection to the Collective Bargaining Agreement with the Police Union (Weslaco Municipal Police Association) as authorized by section §551.071 of the Texas Government Code.

No action.

H. Economic Development - Consultation with City Attorney regarding financial offer or other incentives for Project Z & L as authorized by section §551.087 of the Texas Government Code.

Commissioner Kerr abstained from vote and discussion.

Commissioner Lopez seconded by Commissioner Pedraza moved to approve incentives for Project Z & L in the amount of \$198,000 as discussed in executive session and directed staff to bring information on Tax Abatement back to the commission. The motion carried; Commissioner Kerr abstained; Mayor Suarez was present and voting.

VIII. ADJOURNMENT

Commissioner Farias seconded by Commissioner Kerr moved to adjourn the meeting of April 20, 2021 at 7:30 p.m. The motion carried unanimously; Mayor Suarez was present and voting.

CITY OF WESLACO

MAYOR, David Suarez

ATTEST:

Norma A. Cantu, CITY SECRETARY



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4130	
From:			
Subject: Approval of Lease Agreement renewal with Weslaco Little League for the use of the Issac Rodriguez Park Sports Fields and Harlon Block Sports Complex baseball/softball fields and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.)			
Background: The Weslaco League is requesting use of Isaac Rodriguez Park Multi-purpose Field, Minor Field and T-Ball Field and the Harlon Block Sports Complex Baseball and Softball Fields. This is an annual request for the period from May 8, 2021 - July 3, 2021.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation): The Parks & Recreation Board recommends approval.			
ADELAIDA VEGA OMAR RODRIGUEZ Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: WESLACO LITTLE LEAGUE LEASE 2021			
Responsibilities upon Approval:			

STATE OF TEXAS

*

*

COUNTY OF HIDALGO

*

*

LEASE AGREEMENT

CITY OF WESLACO

*

On this ____ day of _____, 2021, the CITY OF WESLACO, a home rule municipal corporation located in Hidalgo County, Texas hereinafter referred to as "CITY" and the WESLACO LITTLE LEAGUE hereinafter referred to as "LEAGUE" enter into this Lease Agreement for the lease of "CITY" property under the following terms:

1. The "CITY" leases to the "LEAGUE" certain real property and improvements physically located in the Isaac Rodriguez Park Multi-Purpose Field, Minor Field and Concession Stands as described in Exhibit "A", and at the Harlon Block/Sports Complex Field #1, Field #2, Field #3 and Concession Stands as described in Exhibit "B" hereinafter referred to as the leased property.
2. The Term of this lease shall begin May 8, 2021 and ending July 3, 2021 hereinafter referred to as the lease term.

In consideration of the lease of "CITY" property described in Exhibit "A", the "LEAGUE" agrees as follows:

1. The "LEAGUE" will not construct any permanent buildings or improvements on the lease premises.
2. The "LEAGUE" will not sublet the lease premises or assign this lease to any other party without the written consent of the "CITY".
3. The "LEAGUE" agrees and understands that the lease premises will be used exclusively for baseball and softball games and related "LEAGUE" activities.
4. The "LEAGUE" will hold the "CITY" harmless for any type of injury or harm sustained by any person involved in any "LEAGUE" activity on the lease premises.
5. The "LEAGUE" will carry liability insurance in enough to protect the "CITY'S" interest in the lease premises and said insurance will name the "CITY" as an additional insured with the requirement that said insurance provider shall provide the "CITY" notice of any cancellation or revision of said insurance policy.
6. The "LEAGUE" will be entitled to possession of the lease premises immediately upon execution of this lease agreement.
7. The "LEAGUE" will provide the schedule of "LEAGUE" activities to "CITY" at least one (1) week prior to start of said activities.
8. The "LEAGUE" shall endeavor to assist the "CITY" in providing a safe and clean complex for all participants, spectators and visitors.
9. There shall be no parking of automobiles or other vehicles in any area other than areas designated for such purpose by "CITY".
10. The "LEAGUE" will provide "CITY" an accounting of all monies collected in registration fees and all concession stand revenue and expenses. The accounting will be due on August 31, 2021 and must be prepared in a form and manner acceptable to "CITY".
11. The "LEAGUE" is responsible for scheduling all games and providing adult supervision at all

“LEAGUE” activities.

12. The “CITY” shall have the right to decide when the baseball fields are unplayable due to current or anticipated weather conditions.
13. The “LEAGUE” will file with the “CITY’S” Parks and Recreation Department appropriate contact phone numbers for directing public inquires to the proper authorities regarding all “LEAGUE” activities.
14. The “LEAGUE” shall immediately report all needed repairs or potential hazards on lease premises to the “CITY’S” Parks and Recreation Department. However, the reporting of these hazards does not in any way, shape or form make the “CITY” liable for any injuries or damages resulting from said hazards.
15. The “CITY” will maintain the baseball fields including mowing and paint marking with assistance from the “LEAGUE” when possible. Maintenance scheduling will be determined by “CITY” upon advanced written notice of “LEAGUE” activities.
16. The “CITY” is under no obligation and undertakes no responsibility to obtain sponsors for “LEAGUE” activities.
17. “CITY” employees will not be allowed to participate in “LEAGUE” activities as Officers, Board Members or in any other official capacity.
18. The “LEAGUE” affirms that the person signing on behalf of the “LEAGUE” is authorized to execute this lease agreement with the “CITY”.
19. The “CITY” has the right to terminate this lease agreement without cause by providing thirty (30) written notice of the termination to the “LEAGUE” by personal or certified mail delivery to the person signing this agreement on behalf of “LEAGUE”.
20. The “CITY” shall have one (1) weekend a month to host any functions it chooses at Isaac Rodriguez Park or Harlon Block Park Complex during the lease term. Notice will be given one (1) month in advance of function dates.
22. The “CITY” may at any time request an audit or accounting or production of financial reports in a form and manner acceptable to “CITY”. Failure to do so upon timely request will result in an automatic termination of this agreement.

(Signature Page Next)

In **WITNESS WHEREOF**, the undersigned hereby execute this lease agreement as of the day and year first above written.

ATTEST:

CITY OF WESLACO

Norma A. Cantu, City Secretary

David Suarez, MAYOR

APPROVED AS TO FORM:

WESLACO LITTLE LEAGUE

Juan E. Gonzalez, City Attorney

Exhibit "A"



EXHIBIT "B"





Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4149	
From: OMAR RODRIGUEZ			
Subject: Approval of Lease Agreement with the Weslaco Youth Football League to use Harlon Block Sports Complex East and West sports fields for youth 7 on 7 and Flag Football and authorize the Mayor to execute any related documents. (Staffed by Parks and Recreation Department.)			
Background: The Weslaco Youth Football League has requested the use of Harlon Block Park East and West sports fields for the Summer Flag and 7-on-7 Football program. This is an annual request for the period of June 1, 2021 through July 3, 2021, Monday-Saturday.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation): The Parks & Recreation Advisory Board recommends approval.			
OMAR RODRIGUEZ		Created/Initiated	
OMAR RODRIGUEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval of request.			
Attachments, if any: 2021 Weslaco Youth Football League Summer Lease			
Responsibilities upon Approval:			

STATE OF TEXAS *

COUNTY OF HIDALGO * **LEASE AGREEMENT**

CITY OF WESLACO *

On this ____ day of ____, 2021 THE CITY OF WESLACO, a home rule Municipal Corporation located in Hidalgo County, Texas hereinafter referred to as “CITY” and the WESLACO YOUTH FOOTBALL LEAGUE hereinafter referred to as “LEAGUE” enter into this agreement as follows:

1. The CITY leases to the “LEAGUE” certain real property and improvements physically located in the Isaac Rodriguez Park Multi-Purpose Field, described as Harlon Block Sports Complex East and West Field located at 1020 West 18th Street, Weslaco, Texas as described in Exhibit “A”, hereinafter referred to as the lease premises.
2. The Term of this lease shall be for a period beginning June 1, 2021, and ending July 3, 2021, hereinafter referred to as the lease term.

In consideration of the lease of the property and improvements described in Exhibit “A”, the “CITY” and “LEAGUE” agree as follows:

1. The “LEAGUE” will not construct any permanent buildings or improvements on the lease premises.
2. The “LEAGUE” will not sublet the leased property or assign this lease to any other party without the written consent of the “CITY.”
3. The “LEAGUE” agrees and understands that lease premises will be used exclusively for “LEAGUE” activities.
4. The “LEAGUE” will hold the “CITY” harmless for any type of injury or harm sustained by any person involved in “LEAGUE” activity on the lease premises.
5. The “LEAGUE” will maintain liability insurance in a sufficient amount to protect the “CITY’S” interest and said insurance shall name the “CITY” as an additional insured with the requirement that said insurance provider shall provide the “CITY” notice of any cancellation of said insurance policy.
6. The “LEAGUE” will be entitled to possession of the lease premises immediately upon execution of this agreement.

7. The "LEAGUE" will provide a schedule of "LEAGUE" activities to the City at least two (2) weeks prior to start of such activities.
8. The "LEAGUE" is responsible for expenses for any "LEAGUE" activities including but not limited to out of town games, play-offs, or tournaments. "CITY" is not responsible for any expenses or maintenance of the "LEAGUE".
9. The "LEAGUE" is obligated to assist the city in providing a clean complex for participants and spectators. If "LEAGUE" does not maintain a clean complex "CITY" staff and equipment will clean and maintain the lease premises and "LEAGUE" is obligated to reimburse "CITY" for costs of such services at that "CITY" employees rate of pay plus any fringe benefits.
10. There shall be no parking of automobiles or other vehicles in any area other than areas designated for such purpose by "CITY". The "LEAGUE" is responsible for ensuring there is **NO PARKING ON GRASS ISLANDS OR ANY OTHER GRASS AREAS** of the lease premises.
11. The "LEAGUE" will provide the "CITY" and accounting of all monies collected in registration fees, concession stand revenues and expenses incurred in operating its activities. This accounting must be prepared by a certified public accountant and must be prepared in accordance with accepted accounting principles. The accounting will be due on or before December 31, 2021. The "CITY" may at any time demand such accounting and failure to do so will result in an automatic termination of this agreement.
12. The "LEAGUE" shall be responsible for the registration of individual participants and for the accounting of registration fees for each participant and will hold the "CITY" harmless from any claims arising out of any improprieties or acts of embezzlement, fraud or theft of "LEAGUE" funds.
13. The "LEAGUE" will be responsible for any and all expenses incurred in obtaining officials necessary for conducting "LEAGUE" activities.
14. The "LEAGUE" is responsible for scheduling all games and providing adult supervision at all scheduled football games and practices and will hold the "CITY" harmless for any claims arising out of inappropriate acts by any of the "LEAGUE'S" employees, volunteers or contractors.
15. The "CITY" shall have the right to decide when the football fields are unplayable due to current or anticipated weather conditions and the "LEAGUE" must abide by any "CITY" decisions concerning cancellation or rescheduling of "LEAGUE" activities.

16. The “LEAGUE” will provide it’s By – Laws, Organization structure, officers, and appropriate contact phone numbers to the “CITY” for the purpose of addressing or directing public inquires to the proper authorities regarding “LEAGUE” activities.
17. The “LEAGUE” shall report any necessary repairs or potential hazards to the Parks and Recreation Department immediately. However, the reporting of these hazards does not in way, shape or form make the “CITY” liable for any injuries or damages resulting from said hazards.
18. The “CITY” will maintain the football fields, including mowing and marking. Maintenance scheduling will be determined by “CITY” upon receipt of written practice and league games schedules.
19. The “CITY” is under no obligation and undertakes no responsibility to obtain sponsors for “LEAGUE” activities.
20. “CITY” employees are NOT be allowed to participate in “LEAGUE” activities as officers, board members, bookkeepers, or in any other official capacity.
21. The “LEAGUE” will remove all sponsor signs on or before May 30, 2021.
22. The “LEAGUE” affirms that the person signing this agreement on behalf of the “LEAGUE” is authorized to execute this agreement with the “CITY”.
23. The person signing on behalf of the “LEAGUE” will receive one (1) “CITY” issued key for the concession stands and lights and this key may not be duplicated by the “LEAGUE”.
24. The “CITY” may cancel this agreement without cause by providing thirty “30” days written notice to the “LEAGUE” by personal delivery to the person signing this agreement of behalf of “LEAGUE”.

(SIGNATURE PAGE NEXT)

In WITNESS WHEREOF, the undersigned hereby execute this lease agreement on the ____ day of _____ 2021.

ATTEST:

Norma A. Cantu, City Secretary

CITY OF WESLACO

David Suarez, Mayor

APPROVED AS TO FORM:

CITY ATTORNEY _____
JUAN E. GONZALEZ

WESLACO YOUTH FOOTBALL LEAGUE

Belinda Ibarra, President

EXHIBIT "A"





Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4146	
From: ROBERT LOPEZ			
Subject: Approval to purchase two 2021 Chevy Tahoe PPV under BuyBoard Contract #601-19 in the amount of \$73,750 (2 units), police emergency equipment for two units under BuyBoard Contract #388654 in the amount of \$47,088 and two police radios (installed) under BuyBoard Contract #'s 603-20/604-20 in the amount of \$5,741 and authorize the Mayor to execute any related items. (Staffed by Police Department.)			
Background: This item was previously authorized by Commission during City Commission Workshop held on 03-27-2021.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission: March 27, 2021 Commission workshop			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ROBERT LOPEZ		Created/Initiated	
ROBERT LOPEZ		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Recommend Approval			
Attachments, if any: Police Equipment for 2 Tahoes revised quote# 388654 Final, TAIT TM9400 7-800 2 Radios and no faceplates, CPS-BUYBOARD1.doc WESLACO -2021 CHEVROLET TAHOE PPV CC15706-2X-APRIL28 (IN STOCK)			
Responsibilities upon Approval:			

Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

Bill To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Ship To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	N	INFO BUY BOARD 603-20 2021-2022 TAHOES Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	EVP WEC EMERGENCY VEHICLE PRODUCTS Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	VALR51S-TX2 FED Valor 51" Texas Special Frt RW/BW Rear RA/BA Warehouse: LAFE Vin #: LOW PROFILE LIST- 4660.00-35%= 3029.00			2,195.0000	4,390.00
2	2	Y	FED-HKB-TAH21 FED HOOK KIT 2021 TAHOE Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	SIFMJH-TAH21-PF1 Fed ODB Integrated SIFMJ Rear Deck/ Rear Hatch ILS Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	PF200R FED SIG PATHFINDER,100/200W,REMOTE Warehouse: LAFE Vin #: PRICE VERFICATION PG 102598 LIST 1350.00-35%=877.50			0.0000	0.00

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04/26/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By		Salesperson		Ordered By	Resale Number	
Maria Rivera		Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
2	2	Y	ES100C FED ES100/DYNAMAX 100W CLASS A SPEAKER Warehouse: LAFE Vin #: VEHICLE SPECIFIC MOUNTING BRACKETS ARE SOLD SEPERATELY ***** LIST 319.00-35%= 207.35 PRICE VERICATION PF 102074		0.0000	0.00
2	2	Y	ESB-U FED DYNAMAX/ES100C UNIVERSAL SPEAKER BRACKET Warehouse: LAFE Vin #:		0.0000	0.00
2	2	Y	FED-PBX08 FEDERAL SIGNAL TAHOE 2021 PUSH BUMPER Warehouse: LAFE Vin #:		375.0000	750.00
2	2	Y	PBX-TC4L-4 FED SIGNAL FOUR LIGTH TOP CHANNEL FOR CHEVY TAH Warehouse: LAFE Vin #: PRICE VERICATION PG103398 LIST 43.00-35%= 27.95		25.0000	50.00

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Sales Quote

DANA SAFETY SUPPLY, INC
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Telephone: 800-845-0405

Sales Quote No.	388654-A
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Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By		Salesperson		Ordered By	Resale Number	
Maria Rivera		Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
12	12	Y	MPS620U-BR FED Micro Pulse Ultra 6 Dual Color Surface Mount Warehouse: LAFE Vin #: 12-24 VDC 12 LED Lighthead Blue/Red PILLAR AREA SIDE PUSH BUMPER		82.0000	984.00
4	4	Y	MPS620U-RW FS MICROPULSE Ultra Dual, 12 LED, RED/WHITE Warehouse: LAFE Vin #:		82.0000	328.00
4	4	Y	MPS620U-BW FS MICROPULSE Ultra Dual, 12 LED, BLUE/WHITE Warehouse: LAFE Vin #: PUSH BUMPER OVER RIDE AS TAKE DOWN		82.0000	328.00
2	2	Y	MPSW9-RW FED MICRO PULSE WIDE ANGLE LIGHT RED/WHITE Warehouse: LAFE Vin #: LIST 231.00-35% = 150.15 PRICE VERIFICATION PG 102579		150.0000	300.00

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Sales Quote

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	MPSW9-BW FED MICRO PULSE WIDE ANGLE LIGHT - BLUE/WHITE Warehouse: LAFE Vin #: LIST 231.00-35% = 150.15			150.0000	300.00
2	2	Y	PRICE VERFICATION PG 102575 MPSMW9-TAH21MIR Fed KIT BRKT MPSW9 MIRROR 21TAH Warehouse: LAFE Vin #:			30.0000	60.00
4	4	Y	XSM2-BRW FED Blue/Red/White - Blue/Red/White Dual head moUNT Warehouse: LAFE Vin #: REAR SIDE WINDOW LIST 439.00-35%= 285.35 PRICE VERFICATION PG 102887			160.0000	640.00

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04/26/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By		Salesperson		Ordered By	Resale Number	
Maria Rivera		Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
4	4	Y	MPS620U-BR FED Micro Pulse Ultra 6 Dual Color Surface Mount Warehouse: LAFE Vin #: 12-24 VDC 12 LED Lighthouse Blue/Red ** underside lift gate** LIST 169.00-35%= 109.85 PRICE VERIFICATION PG 102455		82.0000	328.00
4	4	Y	416900RW FEDERAL SIGNAL CORNER LED R/W- 12 LED Warehouse: LAFE Vin #: 3 way rocker for cargo light		70.8500	283.40
2	2	Y	MPS1220U-BW FED MicroPulse Ultra 12, Dual-Color Surface Mount B/W Warehouse: LAFE Vin #: LIST 199.00-35%= 129.35 PRICER VERIFICATION PG 102409		109.0000	218.00
2	2	Y	MPS1220U-RW FED MICRO PULSE ULRA 12, R/W SPLIT Warehouse: LAFE Vin #: LICENSE PLATE		109.0000	218.00

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	FHL-TAIL FED UNIVERSAL TAIL LIGHT FLASHER - 18" LEADS Warehouse: LAFE Vin #:			60.0000	120.00
2	2	Y	416900BW FEDERAL SIGNAL CORNER LED B/W- 12 LED Warehouse: LAFE Vin #: REVERS LIGHT LIST 109.00-35%=70.85 PRICE VERIFICATION PG 101777			70.8500	141.70
2	2	Y	416900RW FEDERAL SIGNAL CORNER LED R/W- 12 LED Warehouse: LAFE Vin #: reverse light LIST 109.00-35%=70.85 PRICE VERIFICATION PG 101783			70.8500	141.70

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	380400-W FEDERAL PAR46 UNITY LIGHT LED Warehouse: LAFE Vin #: LIST 280.00-35%= 182.00			150.0000	300.00
2	2	Y	PRICE VERIFICATION PG101744 MISC PK1160TAH21 Warehouse: LAFE Vin #: #8XL COATED POLY PARTITION			532.3500	1,064.70
2	2	Y	MISC QK0343TAH21 Warehouse: LAFE Vin #: TALLEY MXRNM058U-NC 3/4" Hole NMO Brass Mount with Gold Pin 17' RG58U, No Connector			1,305.8500	2,611.70
2	2	Y	DK0100TAH21 SMC 2021 TAHOE BLK TPO DOOR PANELS COVERS OEM PANELS Warehouse: LAFE Vin #: DK0100TAH21			188.8300	377.66

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Quote Date		Ship Via		F.O.B.		Customer PO Number		Payment Method		
04/26/21		GROUND SHIPMENT		FOB DESTINATION				Net 30		
Entered By			Salesperson			Ordered By			Resale Number	
Maria Rivera			Maria Rivera-Laferia							
Order Quantity	Approve Quantity	Tax	Item Number / Description					Unit Price	Extended Price	
2	2	Y	WK0514TAH21H SMC 2021 TAHOE WINDOW STEEL BARRIER, HORIZONTAL Warehouse: LAFE Vin #: 2021 Chevy Tahoe Window Steel Barrier, Horizontal FOR USE WITH: * Stock Door Panels * SETINA TPO Door Panels					188.8300	377.66	
2	2	Y	GK1027IUXLHKSVSCA SMC RIFLE MNT & LOCK W/SWITCH Warehouse: LAFE Vin #:					213.0000	426.00	
2	2	Y	C-VS-1012-TAH-W HAV C-VS-1012-TAH-W HAVIS 2021 TAHOE 22" CONSOLE Warehouse: LAFE Vin #: 12.5" Wide Angled 22" Vehicle Specific Console for 2021 Chevrolet Tahoe Police Pursuit Vehicle INCLUDES: C-EB30-FSR-1P 1)C-EB30-T9IS-1P					422.5000	845.00	
4	4	Y	C-MCB HAV CONSOLE MICROPHONE CLIP BRACKET Warehouse: LAFE Vin #: LIST 11.90-35%= 7.73 pg verification 3509					9.8100	39.24	

Print Date	04/29/21
Print Time	05:25:15 PM
Page No.	8

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Sales Quote

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4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
4	4	Y	C-MC HAV CONSOLE MICROPHONE CLIP Warehouse: LAFE Vin #: LIST 15.14-35%= 9.84 pg verification 3508			7.7300	30.92
1	1	Y	DS-PAN-111-2 HAV PAN CF31 DOCK W/DUAL RF Warehouse: LAFE Vin #:			688.6600	688.66
1	1	Y	C-HDM-204 HAV TELESCOPING SIDE MOUNTED POLE ASSY Warehouse: LAFE Vin #: MOUNTS TO SIDE OF CONSOLE BOX *****			169.0000	169.00
1	1	Y	C-MD-119 HAV 11" SLIDE-OUT LOCKING SWING ARM - LOW PROFILE Warehouse: LAFE Vin #:			221.3600	221.36
1	1	Y	LPS-104 HAV 12V-120W POWER SUPPLY FOR PAN CF30-31 Warehouse: LAFE Vin #:			145.0000	145.00
1	1	Y	REMOVAL REMOVAL OF BELOW LISTED EMERGENCY EQUIPMENT Warehouse: LAFE Vin #: PER CUSTOMER REQUESTS: exciting docking station from F-150			150.0000	150.00

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Printed By: Maria Rivera

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

Bill To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Ship To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By		Salesperson		Ordered By	Resale Number	
Maria Rivera		Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
2	2	Y	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: LAFE Vin #: LOOM, WIRE, HARDWARE, CONNECTORS, ETC ***** PRICE VERIFICATION PG 101454		175.0000	350.00
2	2	N	LIST 300.00-35%= 195 INSTALL DSS INSTALLATION OF EQUIPMENT Warehouse: LAFE Vin #: RADIO PROVIDED BY CUSTOMER HIDE THE ANTENNA LIST 100.00-35%= 65 A HOUR PRICE VERICATION PG 101450		3,000.0000	6,000.00
2	2	Y	MISC IV-BND-V3-PX-10 Warehouse: LAFE Vin #: 4RE/V300 Bundle, Standard DVR with HD Panoramic Front Camera, Cabin Camera, V300 WiFi Base and Smart PoE Switch. WGP02400-510		4,775.0000	9,550.00
2	2	Y	Evidence Library, 4RE Annual Device License & Support Warehouse: LAFE Vin #:		216.6600	433.32

Print Date	04/29/21
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Printed By: Maria Rivera

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

Bill To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Ship To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

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E-mail: RLOPEZ@WESLACOTX.GOV

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	MISC WGA BW-VWF-11 Warehouse: LAFE Vin #:			1,105.5500	2,211.10
			VISTA HD, WiFi Extended Wearable Camera, with Magnetic Center Mount				
2	2	Y	MISC WGA WGA00537-300-KIT Warehouse: LAFE Vin #:			105.5500	211.10
2	2	Y	IV-ACK-WF-CP-DM MikroTik Configured Wireless Kit Warehouse: LAFE Vin #:			222.2200	444.44
2	2	Y	WGP02400-100 WGA Evidence Library 4 Web 4RE In-Car Device License K Warehouse: LAFE Vin #:			166.6600	333.32
2	2	Y	WGP02400-300 WGA Evidence Library 4 Web 4RE Combo-Discount Device L Warehouse: LAFE Vin #:			83.3300	166.66
2	2	Y	GRAPHIC WESLCO POLICE 2021 TAHOE Warehouse: LAFE Vin #:			722.2200	1,444.44

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

Bill To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Ship To
WESLACO POLICE DEPARTMENT 901 N AIRPORT WESLACO, TX 78596

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Contact: WALENSKY
Telephone: 956-650-0803
E-mail: RLOPEZ@WESLACOTX.GOV

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/26/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	805-0022-00 STALKER Dual - 2 Antenna Radar System Warehouse: LAFE Vin #: END USER:			2,454.9900	4,909.98
2	2	Y	MAKE YEAR & MODEL: MISC STALKER 200-144-00 Warehouse: LAFE Vin #: 2021 Tahoe Front Antenna			138.8800	277.76
2	2	Y	200-1442-00 STALKER 2021 TAHOE DISPLAY MOUNT Warehouse: LAFE Vin #:			138.8800	277.76
2	2	Y	155-2211-00 STALKER REMOTE DISPLAY INTRCONNECT CABLE Warehouse: LAFE Vin #:			74.9400	149.88
2	2	Y	36-100 TUFLOC - 36-100 - TUFBOX STORAGE BIN Warehouse: LAFE Vin #:			299.9500	599.90
2	2	Y	36-120 TUFLOC - 36-120-CLR - CLEAR LID Warehouse: LAFE Vin #:			100.0000	200.00
..							

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388654-A
Customer No.	WESLACO

Bill To

WESLACO POLICE DEPARTMENT
901 N AIRPORT
WESLACO, TX 78596

Ship To

WESLACO POLICE DEPARTMENT
901 N AIRPORT
WESLACO, TX 78596

Contact: WALENSKY
Telephone: 956-650-0803

E-mail: RLOPEZ@WESLACOTX.GOV

Contact: WALENSKY
Telephone: 956-650-0803

E-mail: RLOPEZ@WESLACOTX.GOV

Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method		
04/26/21	GROUND SHIPMENT		FOB DESTINATION		Net 30		
Entered By		Salesperson		Ordered By	Resale Number		
Maria Rivera		Maria Rivera-Laferia					
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
			Approved By: _____ ☐ Approve All Items & Quantities Quote Good for 30 Days				

Print Date	04/29/21
Print Time	05:25:15 PM
Page No.	13

Printed By: Maria Rivera

Subtotal	44,587.36
Freight	2,500.00
Order Total	47,087.36

TRI-COUNTY COMMUNICATIONS, LTD

1421 East Pike Blvd, Weslaco, TX 78596

956-447-8440

Company	Cify of Weslaco Police Dept	Date:	4/21/2021
Address:	901 N Airport Dr	Sales Rep:	Jada Valdez
City/St/Zip	Weslaco, TX 78596	Phone:	956-650-0803
Attn:	Chief Lopez	Email:	

[illegible]

Quotation good for 30 days

A 25% Re-stocking fee will apply for canceled orders.

SALES * SERVICE * WARRANTY
HARRIS * TAIT * MOTOROLA SOLUTIONS

Signature of Accepting Official

Date

This Proposal contains confidential information intended for a specific individual and purpose and is protected by law. If you are not the intended recipient, please contact sender immediately at 956-447-8440 and destroy all copies. You are hereby notified that any disclosure, copying, or distribution of this message is strictly prohibited.

QUOTE# 001

CONTRACT PRICING WORKSHEET

End User: CITY OF WESLACO		Contractor: CALDWELL COUNTRY			
Contact Name: CHIEF ROBERT E. LOPEZ		CALDWELL COUNTRY			
Email: RLOPEZ@WESLACOTX.GOV		Prepared By: Averyt Knapp			
Phone #: 956-968-8591 (X-2010) 956-451-8037 -C		Email: aknapp@caldwellcountry.com			
Fax #: 956-969-0762		Phone #: 979-567-6116			
Location City & State: WESLACO, TX		Fax #: 979-567-0853			
Date Prepared: APRIL 28, 2021		Address: P. O. Box 27, Caldwell, TX 77836			
Contract Number: BUY BOARD #601-19		Tax ID # 14-1856872			
Product Description: 2021 CHEVROLET TAHOE PPV CC10706					
A Base Price & Options:			\$36,675		
B Fleet Quote Option:					
Code	Description	Cost	Code	Description	Cost
	LH SPOTLIGHT, PPV, 5.3L-V8, 10-SPD AUTOMATIC, LOCKING REAR AXLE DIFFERENTIAL, DUAL BATTERIES, CLOTH FRONT SEAT/VINYL REAR BENCH, FULL RUBBER FLOOR, AIR CONDITION FRONT AND REAR, AMFM-STEREO W/BLEETOOTH, TILT, CRUISE, POWER WINDOWS, POWER LOCKS, POWER MIRRORS, KEYLESS ENTRY, DEEP TINT GLASS, RUNNING BOARDS, TRAILER TOW HITCH, REAR VISION CAMERA, FLASHER SYSTEM HEADLAMP AND TAILLAMP DRL COMPATIBLE W/CONTROL WIRE, CALIBRATION SURVEILLANCE MODE INTERIOR LIGHTING, CALIBRATION TAILLAMP FLASHER RED/WHITE, CALIBRATION TAILLAMP FLASHER RED/RED, DELIVERED TO WESLACO, TX	INCL			
	GM WARRANTY 5YR/100,000 MILES POWERTRAIN @ N/C	INCL		CALDWELL COUNTRY	
				PO BOX 27	
				CALDWELL, TEXAS 77836	
Subtotal B					INCL

C Unpublished Options					
Code	Description	Cost	Code	Description	Cost
Subtotal C					
D Other Price Adjustments (Installation, Delivery, Etc...)					
Subtotal D					INCL
E Unit Cost Before Fee & Non-Equipment Charges (A+B+C+D)					\$36,675
Quantity Ordered					2
Subtotal E					\$73,350
F Non-Equipment Charges (Trade-In, Warranty, Etc...)					
BUY BOARD FEE					\$400
G. Color of Vehicle: WHITE					
H. Total Purchase Price (E+F)					\$73,750
		Estimated Delivery Date:		CURRENTLY IMMEDIATE DELIVERY -AND OR DELIVERED PRIOR TO 9/30/21)	



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4152	
From:			
Subject: Approval to Purchase Two 2021 Chevy Tahoe PPV with emergency equipment under Buy Board Contract #601-19 (unit), Buy Board 603-20 (Equipment) in the amount of \$47,101 each, for a total of \$94,202 These units are replacement units in the Fire Marshals Office and authorize the Mayor to execute any related documents. (Staffed by Fire Department.)			
Background: These two vehicle are needed in the Fire Department Fire Marshals Division to replace a 1997 eco van and a 2003 Explorer used in the Fire Marshals Division. One of these units has been budgeted for 2020-2021 apparatus replacement budget. The other unit along with equipment will be bought through State deployment reimbursements payments received from this past year.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ANTONIO LOPEZ		Created/Initiated	
ANTONIO LOPEZ		Approved	
VIDAL ROMAN		New	
Mike Perez			
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: 533 fire marshal vehicle, 533-1 fire Marshal vehicle, unit 530 1, unit 530 2, unit 530 4, CPS-BUYBOARD1.doc WESLACO -2021 CHEVROLET TAHOE PPV CC15706-1X-APRIL15 (IN STOCK) \$37,075 - In Stock, Fire Marshal Emergency Equipment quote# 388847 (002)			
Responsibilities upon Approval:			





TEXAS
EXEMPT
852-722

FIRE INVESTIGATION UNIT



E-150



530







FIRE INVESTIGATIONS

THINK SAFETY FIRST



530

V8

QUOTE# 001

CONTRACT PRICING WORKSHEET

End User: CITY OF WESLACO		Contractor: CALDWELL COUNTRY			
Contact Name: CHIEF ROBERT E. LOPEZ		CALDWELL COUNTRY			
Email: RLOPEZ@WESLACOTX.GOV		Prepared By: Averyt Knapp			
Phone #: 956-968-8591 (X-2010) 956-451-8037 -C		Email: aknapp@caldwellcountry.com			
Fax #: 956-969-0762		Phone #: 979-567-6116			
Location City & State: WESLACO, TX		Fax #: 979-567-0853			
Date Prepared: APRIL 15, 2021		Address: P. O. Box 27, Caldwell, TX 77836			
Contract Number: BUY BOARD #601-19		Tax ID # 14-1856872			
Product Description: 2021 CHEVROLET TAHOE PPV CC10706					
A Base Price & Options:			\$36,675		
B Fleet Quote Option:					
Code	Description	Cost	Code	Description	Cost
	LH SPOTLIGHT, PPV, 5.3L-V8, 10-SPD AUTOMATIC, LOCKING REAR AXLE DIFFERENTIAL, DUAL BATTERIES, CLOTH FRONT SEAT/VINYL REAR BENCH, FULL RUBBER FLOOR, AIR CONDITION FRONT AND REAR, AMFM-STEREO W/BLEETOOTH, TILT, CRUISE, POWER WINDOWS, POWER LOCKS, POWER MIRRORS, KEYLESS ENTRY, DEEP TINT GLASS, RUNNING BOARDS, TRAILER TOW HITCH, REAR VISION CAMERA, FLASHER SYSTEM HEADLAMP AND TAILLAMP DRL COMPATIBLE W/CONTROL WIRE, CALIBRATION SURVEILLANCE MODE INTERIOR LIGHTING, CALIBRATION TAILLAMP FLASHER RED/WHITE, CALIBRATION TAILLAMP FLASHER RED/RED, DELIVERED TO WESLACO, TX	INCL			
	GM WARRANTY 5YR/100,000 MILES POWERTRAIN @ N/C	INCL		CALDWELL COUNTRY	
				PO BOX 27	
				CALDWELL, TEXAS 77836	
Subtotal B					INCL

C Unpublished Options					
Code	Description	Cost	Code	Description	Cost
Subtotal C					
D Other Price Adjustments (Installation, Delivery, Etc...)					
Subtotal D					INCL
E Unit Cost Before Fee & Non-Equipment Charges (A+B+C+D)					\$36,675
Quantity Ordered					1
Subtotal E					\$36,675
F Non-Equipment Charges (Trade-In, Warranty, Etc...)					
BUY BOARD FEE					\$400
G. Color of Vehicle: WHITE					
H. Total Purchase Price (E+F)					\$37,075
		Estimated Delivery Date:		CURRENTLY IMMEDIATE DELIVERY -AND OR DELIVERED PRIOR TO 9/30/21)	

Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Ship To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Contact: AARON
Telephone: 254-773-8824

E-mail: arron@caldwellcountry.com

Contact: KRISTEN
Telephone: 979-567-6110

E-mail: KZAPATA@ROCKDALECOUNTRYFORD.CC

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/27/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia		AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	N	INFO WESLACO FIRE MARSHAL BUY BOARD 603-20 Warehouse: LAFE Vin #:			0.0000	0.00
1	1	Y	EVP EMERGENCY VEHICLE PACKAGE Warehouse: LAFE Vin #:			9,225.6300	9,225.63
1	1	Y	MISC FEN Q-1521 QUAD FRONT INTERIOR LIGHTBAR Warehouse: LAFE Vin #:			0.0000	0.00
10	10	Y	MISC FEN Q-8101 QUAD SURFACE MOUNT LIGHTS Warehouse: LAFE Vin #:			0.0000	0.00
			[3] PER RUNNING BOARD [2] REAR LP [2] FLUSH MOUNT HATCH				
2	2	Y	MISC FEN Q-4016 'L' MOUNTING BRACKET Warehouse: LAFE Vin #:			0.0000	0.00
4	4	Y	FEN-FN-4616 FEN RECESSED BRACKET FOR FUSION SURFACE MOUNT LIGHT HD Warehouse: LAFE Vin #:			0.0000	0.00

Print Date	04/27/21
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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Ship To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Contact: AARON
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E-mail: arron@caldwellcountry.com

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/27/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia		AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	Y	MISC FEN Q-4216 LICENSE PLATE BRACKET Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	MISC FEN QUM-0121 Warehouse: LAFE Vin #:			0.0000	0.00
1	1	Y	UNDER MIRROR PUCK LIGHTS: QUM-0121 MISC FEN Q-1521CT Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	QUAD MIRROR MOUNT SET MISC FEN Q-0220 Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	REAR SIDE WINDOW FEN-FN-4516-LS Feniex Fusion Winodw Mount BKT Lightstick Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	MISC FEN Q-2120 QUAD DECK DASH Warehouse: LAFE Vin #: REAR WINDOW			0.0000	0.00

Print Date	04/27/21
Print Time	03:57:01 PM
Page No.	2

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Ship To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Contact: AARON
Telephone: 254-773-8824

E-mail: arron@caldwellcountry.com

Contact: KRISTEN
Telephone: 979-567-6110

E-mail: KZAPATA@ROCKDALECOUNTRYFORD.CC

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
04/27/21	GROUND SHIPMENT			FOB DESTINATION		Net 30	
Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia		AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	Y	MISC FEN Q-2021 QUAD PILLARS Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	FEN-H-2219-RW FENIEX CANNON RED/WHITE Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	REVERSE FEN-H-2219-BW FENIEX B/W HIDEAWAY Warehouse: LAFE Vin #:			0.0000	0.00
1	1	Y	REVERSE FEN-C-4200-DL Feniex 4200 Controller New Generation Cat 5 CON Warehouse: LAFE Vin #:			0.0000	0.00
1	1	Y	CONTROLS FUSION LIGHT BAR & STORM PRO SIREN FUNCTIONS ***** FEN-C-4015 Feniex Storm Pro 200W Remote Siren Warehouse: LAFE Vin #:			0.0000	0.00

Print Date	04/27/21
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Printed By: Maria Rivera

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Ship To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Contact: AARON
Telephone: 254-773-8824

E-mail: arron@caldwellcountry.com

Contact: KRISTEN
Telephone: 979-567-6110

E-mail: KZAPATA@ROCKDALECOUNTRYFORD.CC

Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
04/27/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By			Salesperson	Ordered By	Resale Number	
Maria Rivera			Maria Rivera-Laferia	AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
2	2	Y	FEN-S-2009 Feniex Triton 100 Watt Speaker, includes "L" brkt Warehouse: LAFE Vin #: INCLUDES UNIVERSAL "L" MOUNTING BRACKET *****		0.0000	0.00
1	1	Y	FED-PBX08 FEDERAL SIGNAL TAHOE 2021 PUSH BUMPER Warehouse: LAFE Vin #:		0.0000	0.00
1	1	Y	PBX-TC4L-4 FED SIGNAL FOUR LIGTH TOP CHANNEL FOR CHEVY TAH Warehouse: LAFE Vin #:		0.0000	0.00
2	2	Y	MPS620U-RW FS MICROPULSE Ultra Dual, 12 LED, RED/WHITE Warehouse: LAFE Vin #:		0.0000	0.00
2	2	Y	MPS620U-BW FS MICROPULSE Ultra Dual, 12 LED, BLUE/WHITE Warehouse: LAFE Vin #:		0.0000	0.00

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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

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Telephone: 254-773-8824

E-mail: arron@caldwellcountry.com

Contact: KRISTEN
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E-mail: KZAPATA@ROCKDALECOUNTRYFORD.CC

Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
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Entered By			Salesperson		Ordered By		Resale Number
Maria Rivera			Maria Rivera-Laferia		AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
2	2	Y	MPS620U-BR FED Micro Pulse Ultra 6 Dual Color Surface Mount Warehouse: LAFE Vin #: 12-24 VDC 12 LED Lighthead Blue/Red			0.0000	0.00
1	1	Y	FOG LIGHT C-VS-1012-TAH-W HAV C-VS-1012-TAH-W HAVIS 2021 TAHOE 22" CONSOLE Warehouse: LAFE Vin #: 12.5" Wide Angled 22" Vehicle Specific Console for 2021 Chevrolet Tahoe Police Pursuit Vehicle INCLUDES:			0.0000	0.00
1	1	Y	CUP2-1001 HAV Self-Adjusting Double Cup Holder Warehouse: LAFE Vin #:			0.0000	0.00
1	1	Y	C-ARM-102 HAV ARM REST - MOUNTS TO SIDE OF CONSOLE BOX Warehouse: LAFE Vin #:			0.0000	0.00
2	2	Y	C-MC HAV CONSOLE MICROPHONE CLIP Warehouse: LAFE Vin #:			0.0000	0.00

Print Date	04/27/21
Print Time	03:57:01 PM
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Sales Quote

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Telephone: 800-845-0405

Sales Quote No.	388847-A
Customer No.	CALDCHEV

Bill To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Ship To
CALDWELL COUNTRY CHEVROLET PO BOX 27 CALDWELL, TX 77836

Contact: AARON
Telephone: 254-773-8824

E-mail: arron@caldwellcountry.com

Contact: KRISTEN
Telephone: 979-567-6110

E-mail: KZAPATA@ROCKDALECOUNTRYFORD.CC

Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
04/27/21	GROUND SHIPMENT		FOB DESTINATION		Net 30	
Entered By		Salesperson		Ordered By	Resale Number	
Maria Rivera		Maria Rivera-Laferia		AVERYT KNAPP/SGT GUZMA		
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
2	2	Y	C-MCB HAV CONSOLE MICROPHONE CLIP BRACKET Warehouse: LAFE Vin #:		0.0000	0.00
1	1	Y	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: LAFE Vin #: LOOM, WIRE, HARDWARE, CONNECTORS, ETC *****		0.0000	0.00
1	1	N	INSTALL DSS INSTALLATION OF EQUIPMENT Warehouse: LAFE Vin #: INCLUDES RADIO Approved By: _____ ☐ Approve All Items & Quantities Quote Good for 30 Days		0.0000	0.00

Print Date	04/27/21
Print Time	03:57:01 PM
Page No.	6

Printed By: Maria Rivera

Subtotal	9,225.63
Freight	800.00
Order Total	10,025.63



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4158	
From: ARNOLDO BECHO			
Subject: Approval to authorize staff to purchase a Certificate of Deposit from Navy Army Credit Union in the amount of \$240,000 for a term of 12-months utilizing the Library Marion Booth Endowment Funds; approve Resolution 2021-31 authorizing signatories to conduct business and authorize the Mayor to execute any related documents. (Staffed by the Library Department.)			
Background: Approximately 8 years ago Marion Booth bequeathed to the Library Board approximately \$481,000. Since that time the Library Board has established the Booth Endowment. The current desire of the Board and the Commission has been to invest the principal of the funds. This action continues that philosophy. The Library Board recommended investment within a CD provided by Navy Army Credit Union. The particular investment in question was chosen from offers from 9 local banks and credit unions solicited by the Finance Department. There is no monetary cost to the city as a result of this action. The CD has been quoted at a rate of 1.2% APR over a set term of 12 months for an invested amount of \$240,000. The Library Board recommends this action. Their approval is a requirement of the Endowment Charter.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature Resolution			
If item previously considered, provide date and action by Commission: NA			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: NA			
Advisory Review, if any (name of board/committee, date of action, recommendation): Library Board recommends approval.			
ARNOLDO BECHO ARNOLDO BECHO SONIA FLORES		Created/Initiated Approved Approved	

VIDAL ROMAN Mike Perez	New
City Manager Comments: Approve.	
Staff Recommendation: Library staff recommends approval.	
Attachments, if any: memo - Request to reinvest Booth Funds, CHARTER - The Marion Booth Permanent Endowment Program, EVALUATION OF CD RATES-LIBRARY 04.08.21, Navy Army CD Resolution 04.21.21	
Responsibilities upon Approval: If approved, the Library will work with the Finance Department to facilitate purchase of the CD from Navy Army Credit Union. From that point forward the Finance Department will provide periodic reports and facilitate any new action following maturation.	

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

April 23, 2021

To: David Suarez, Mayor; Leo Muñoz, Mayor Pro-Tem; Greg Kerr, Commissioner; Jose "JP" Rodriguez, Commissioner; Adrian Farias, Commissioner; Letty Lopez, Commissioner; Josh Pedraza, Commissioner; Mike Perez, City Manager
CC: Vidal Roman, Sonia Flores, Martin J. Mata
Fr: Arnoldo Becho, Library Director
Re: Request to Approve Expenditure of Booth Funds.

Approximately 8 years ago Marion Booth bequeathed to the Library Board approximately \$481,000. Since that time the Library Board has established a Booth Endowment. The current desire of the Board and the Commission has been to invest the principal of the funds. This action continues that philosophy.

The Library Board recommended investment within a CD provided by Navy Army Credit Union. The particular investment in question was chosen from offers from 9 local banks and credit unions solicited by the Finance Department. There is no monetary cost to the city as a result of this action. The CD has been quoted at a rate of 1.2% APR over a set term of 12 months for an invested amount of \$240,000.

The Library Board recommends this action. Their approval is a requirement of the Endowment Charter.

At this time the Library recommends approval. Please feel free to contact me with any questions, I will be happy to provide additional information.

Thank you for the time,

Arnoldo Becho
Library Director, City of Weslaco
Phone: 956.973.3144
Email: abecho@weslacopl.us

CHARTER

**THE MARION BOOTH PERMANENT
ENDOWMENT PROGRAM**

MAYOR JOE V. SANCHEZ PUBLIC LIBRARY

WESLACO, TEXAS

THE PURPOSE

The Marion Booth Permanent Endowment Program, hereafter referred to in this document as the “Endowment Program,” is established for the purpose of providing individuals and organizations the opportunity to make charitable gifts to Weslaco’s public library that will become a permanent endowment and internal grant program. The Endowment Program is intended for purposes that are not a part of the library’s established programs, which are funded through the annual operating budget provided by the City. Thus, the Endowment Program is not intended to substitute in any way the City’s budget for the library.

The Mayor Joe V. Sanchez Public Library dedicates itself to provide information to the community in a caring, committed and effective manner, with due and diligent stewardship of the resources placed in its trust. The library emphasizes collections which support the community’s interest, programming with cultural depth, and social enrichment.

ADMINISTRATION

The Endowment Program will be administered by the Library Board of Weslaco, hereafter referred to in this document as the “Board.” The Board shall cooperate with the Finance Department of the City of Weslaco in assuring that funds are accurately tracked and only utilized for purposes permitted by the City Commission and Board. The Library Director and the Finance Director of the City together shall be responsible for acknowledging donations to the Endowment Program within City Commission and Library Board Meetings.

INVESTMENT OF ENDOWMENT FUNDS

The purpose of any endowment is to provide a stable and secure source of financial support in order to facilitate the mission of the organization. To that end, the policy that governs the management of the Endowment Program will be the total return concept. This is essential to provide current income and growth of income for future needs to carry out the mission of the Mayor Joe V. Sanchez Public Library and to ensure the preservation and growth of principal.

All gifts received by the Endowment Program shall be invested as determined by the Board. Assets of the Endowment Program may be segregated into separate accounts, and such separate accounts may, for convenience or in order to comply with the conditions or request of the donor, be designated by separate names. Assets of the various accounts may be commingled for investment or accounting purposes.

The Board may select a default account to place funds within during transitional periods. Currently that account is the BBVA Compass account originally created for the Library, by the City of Weslaco.

CHANGE IN INVESTMENT POLICY

Any transfer of the Endowment Program assets for investment with another institution must be approved by a majority vote of the Library Board and the City Commission, at which a quorum is present.

LIMITATION ON USE OF PRINCIPAL

The objectives of the Endowment Program are to conserve principal and make use of only the distributions determined by the Board. Any withdrawal of principal will be recommended by the Board and must be approved by a two-thirds (2/3) vote of the Board and a majority vote of the City Commission.

DISTRIBUTIONS FROM THE ENDOWMENT PROGRAM

Distributions from accounts in the Endowment Program shall be made by the Board. In the case of undesignated gift accounts, the amount of all distributions shall be determined by the Board, which shall keep in mind the Endowment Program investment objectives stated in this document. The purposes and causes to which distributions are to be made shall be approved by the Board and City Commission. Quantity of distributions will be made with respect to the Endowment's goal of ensuring the preservation and growth of principal.

GIFTS TO THE FUND

The Board may accept gifts, devises, or bequests of money or property (herein called donations) to the Endowment Program. All donations to the Endowment Program shall be subject to approval by the City Commission. Donations may be accepted on such conditions as may be approved by the City Commission. Without limitation upon the generality of lawful conditions which may be approved by the City Commission, donations may be accepted on the condition that the principal amount thereof be retained and invested and only the income expended for the benefit of Weslaco's public library.

LIABILITY OF TRUSTEES

In the absence of gross negligence or fraud, no member of the Library Board shall be personally liable for any action taken or omitted with respect to the Endowment Program.

MERGER, CONSOLIDATION, OR DISSOLUTION OF THE MARION BOOTH PERMANENT ENDOWMENT PROGRAM

If at any time the Mayor Joe V. Sanchez Public Library is lawfully merged or consolidated with any other department, municipality or library, all the provisions hereof in respect to the Endowment shall be deemed to have been made on behalf of the merged or consolidated institution which shall be authorized to administer the same in all respects and in accordance with the terms thereto. If the Mayor Joe V. Sanchez Public Library should ever be dissolved without any lawful successor, the Fund, including both principal and interest to date, shall be distributed as directed by the Board.

AMENDMENTS

Technical corrections and amendments to the Endowment Program which do not alter the stated purpose of the Endowment Program may be made by a majority affirmative vote of the Board and the City Commission.

SEVERABILITY

If any provisions or any application of any provisions of the Endowment Program shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions or application of any provisions herein contained or render the same invalid, inoperative or unenforceable.

This Endowment Program charter was adopted on _____

Library Board

____ For ____ Against and ____ Abstained. _____
Board President

Library Director

This Endowment Program charter was adopted on October 16, 2018

City Commission

6 For 0 Against and 0 Abstained. [Signature] WCC 10/16/18
Recording Secretary

[Signature]
Mayor

Authored by Patricia Avila and Arnoldo Becho, 7/26/10
Revised by Christine Warren and Arnoldo Becho, 8/03/11
Revised by Arnoldo Becho, 10/11/18

EVALUATION OF CD'S FOR LIBRARY BOOTH FOUNDATION

DATE 4/8/2021
AMOUNT \$ 240,000.00

BANK	CONTACT NAME	CONTACT EMAIL	CONTACT #	12 mo	18 mo	24mo	36mo
BBVA COMPASS	GINA LOBATO	gina.lobato@bbva.com	971-5901	0.05%	0.05%	0.05%	0.05%
PLAINS CAPITAL	JESSE SANTANA	jesse.santana@plainscapital.com	973-3070	0.15%	n/a	0.20%	0.25%
FROST BANK	RICK RAMIREZ	Rick.Ramirez@frostbank.com	(210)220-6182	0.18%	n/a	0.25%	n/a
LONESTAR NATIONAL BANK	JULIA DE LEON	deleonj@lonestarnationalbank.com	956-973-7702	0.25%	0.30%	0.35%	n/a
TEXAS REGIONAL BANK	CYNTHIA QUINTANILLA	cquintanilla@texasregionalbank.com	956-351-4690	0.30%	0.32%	0.35%	0.45%
RIO BANK	CONNIE CASTILLO	c.castillo@riobk.com	878-1153	0.32%	0.38%	0.42%	0.51%
GREATER STATE BANK	THELMA MARROQUIN	thelma.marroquin@gstbank.com	973-4782	0.50%	0.60%	0.75%	n/a
SECURITY FIRST CREDIT UNION	MARIO (PENDING LAST NAME)	PENDING EMAIL ADDRESS	956-661-4000	0.85%	1.01%	1.06%	n/a
*NAVYARMY	CHRISTIAN MARTINEZ	CXMartinez@navyarmyccu.com	956-683-1511	1.20%	n/a	1.20%	1.30%
IBC BANK	SAMANTHA SALAS	samanthasalas@ibcbank.com	956-688-3605	No Response			
**VINTAGE BANK	ELOISA ALONZO	Eloisa.Martinez@Vantage.bank	956-968-1511	No Response			
TEXAS NATIONAL BANK	JERRY GONZALEZ	jgonzalez@texasnational.com	956-520-7035	No Response			

*The Library Booth currently has a certificate of deposit with Navy Army which will mature on 9/28/2021.

If Navy Army is considered, the National Credit Union Share Insurance Fund (NCUSIF) will cover up to at least \$250,000.

RESOLUTION NO. 2021-XX

STATE OF TEXAS COUNTY OF HIDALGO CITY OF WESLACO	§ RESOLUTION AUTHORIZING MEMBERS OF STAFF § AS SIGNATORIES ON CERTAIN LEGAL FINANCIAL § DOCUMENTS FOR THE CITY OF WESLACO
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1. I, **Norma Cantu**, certify that I am the **City Secretary** of The City of Weslaco, organized under the laws of **Texas**, Federal Employer ID Number **74-6002544**, engaged in Municipal business under the name of the **City of Weslaco**, and that the following is a correct copy of the resolution adopted at a meeting of the City Commission duly and properly called and held on **May 4, 2021**. This resolution appears in the minutes of this meeting and has not been rescinded or modified.
2. Be it Resolved that,
 - (a) Navy Army Community Credit Union is designated as a depository for the funds of the City of Weslaco.
 - (b) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by this Financial Institution.
 - (c) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the City of Weslaco with this financial institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
 - (d) Any of the persons named below, so long as they act in a representative capacity as agents of the City of Weslaco, are authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated below, from time to time with this financial institution, concerning funds deposited in this financial institution, moneys borrowed from this financial institution or any other business transacted by and between the City of Weslaco and this financial institution subject to any restrictions stated below.
 - (e) Any and all prior resolutions adopted by the City Commission of the City of Weslaco and certified to this Financial Institution as governing the operations of the City of Weslaco's account(s), are in full force and effect, unless supplemented or modified by this authorization.
 - (f) The City of Weslaco agrees to the terms and conditions of any account agreement, properly opened by any authorized representative(s) of the City of Weslaco, and authorizes the financial institution named above, at anytime, to charge the City of Weslaco for all checks, drafts, or other orders, for the payment of money, that are properly drawn on this financial institution, and contain the required number of signatures for this purpose.

3. The officials designated below are authorized to conduct business as indicated:

	Name and Title	Signature
(A)	Mike R. Perez, City Manager	_____
(B)	Vidal Roman, Finance Director	_____
(C)	Sonia Flores, Assistant Finance Director	_____

Indicate A, B, and C

- | | | |
|--------------|-----|---|
| <u>A – C</u> | (1) | Exercise all of the powers listed (2) through (9) |
| <u>A – C</u> | (2) | Open any deposit or checking account(s) in the name of the City of Weslaco |
| <u>A – C</u> | (3) | Endorse checks and orders for the payment of money and withdraw funds on deposit with this financial institution.
Number of authorized signatures required for this purpose <u>2</u> .
Number of authorized signatures required for payroll purpose <u>1</u> . |
| <u>A – C</u> | (4) | Open any certificate of deposit account and withdraw or transfer funds from the certificate of deposit on deposit with this financial institution.
Number of authorized signatures required for this purpose <u>2</u> . |
| <u>A – C</u> | (5) | Transfer funds from operations account to the payroll account, investment account or paying agent approved by City Commission by telefax or other electronic means.
Number of authorized signatures required for this purpose <u>1</u> . |
| <u>A – C</u> | (6) | Borrow money on behalf and in the name of the City of Weslaco executes and delivers promissory notes or other evidences of indebtedness.
Number of authorized signatures required for this purpose <u>2</u> . |
| <u>A – C</u> | (7) | Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the City of Weslaco as security for sums borrowed and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.
Number of authorized signatures required for this purpose <u>1</u> . |
| <u>A – C</u> | (8) | Enter into written lease for the purpose of renting and maintaining a Safe Deposit Box in this financial institution.
Number of authorized signatures required to gain access and to terminate the lease <u>1</u> . |

A – C, (9) Authorized to make inquiries as to status, account balance pertaining to the City of Weslaco.

4. I further certify that the City Commission of the City of Weslaco has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the power granted to the persons named who have full power and lawful authority to exercise the same.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of this Corporation on May 4, 2021.

CITY OF WESLACO

David Suarez, MAYOR

ATTEST:

Norma Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4168
From:		
Subject: Approval to authorize staff solicit bids for the purchase of a 40 cubic yard brush truck and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)		
Background: We are requesting to add a grapple truck to the fleet as requested at city commission meeting April 20th.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA		Created/Initiated
Olga Garza		Approved
David Arce		Approved
Pete Garcia		Approved
Mike Perez		New
City Manager Comments: Approve.		
Staff Recommendation: Approval		
Attachments, if any:		
Responsibilities upon Approval:		



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4163
From:		
Subject: Discussion and consideration on Resolution 2021-32 appointing three members for terms set to expire June 8, 2021 on the Weslaco Mid-Valley Airport Advisory Board and authorize the Mayor to execute any related documents. Possible action. (Staffed by Airport Department.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA ANDREW MUNOZ Mike Perez		Created/Initiated New
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: WMVA Committee as of 060920, WMVA - Applicant roster as of 100620, Board App - Edward Mejia dated 100620, Board App - Don Ed Holmes dated 042821, Board App - Art E. Beckwith dated 042821, Board App - Bud Payne dated 042821, R2021-32 AIRPORT - expired terms		
Responsibilities upon Approval: Execute and notify appointees.		

WESLACO MID-VALLEY AIRPORT COMMITTEE

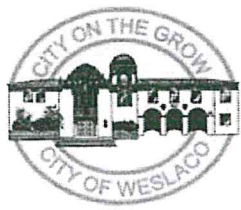
TERM EXPIRES	LAST	FIRST
6/08/2023	Cabaza, III	Raul
6/08/2021	Beckwith	Art
6/08/2021	Holmes	Don Ed
6/08/2021	Payne	Bud
6/08/2022	Barbee	Terry
6/22/2022	Montalvo, III	Ramon
6/22/2022	Summers	Randall

As of 060920 by mv

Weslaco Mid-Valley Airport Committee - Applicants

FIRST NAME	LAST NAME	Date Applied
Edward	Mejia	10/06/2020
Don Ed	Holmes	04/28/2021
Art E.	Beckwith	04/28/2021
Bud	Payne	04/28/2021

Applicants as of 042821



Application for Service

City of Weslaco Boards and Committees



Name of Applicant: Edward Mejia		Telephone Number: 956-450-4178
E-Mail Address: edmejia308@gmail.com		Alternate Phone Number (work/cell):
Home Address:		☐ Inside City Limits ☐ Outside City Limits
City: Weslaco	State: TX	Zip Code: 78596
How many years have you lived at this residence? 32		Do you own this house? ☒ Yes or ☐ No
Preference for consideration, naming committees on which you desire to serve: 1.) Parks Board 2.) Airport Board 3.) Library Board		
List of Civic Involvement and Business Experience:		
Have you been bonded or eligible to obtain one? ☒ Yes or ☐ No		Are you currently suing or being sued by the City of Weslaco or any of its entities? ☐ Yes or ☒ No
Are you related to any member of the Commission? ☐ Yes or ☒ No		If so, who and how?
Have you previously served on a City board? ☒ Yes or ☐ No		If so, which and when?
Have you ever been elected to public office? ☐ Yes or ☒ No		If so, which and when?
Do you consent to release this info to the public? ☐ Yes or ☒ No		Are you age 25 or older? ☒ Yes or ☐ No
The statements I have made on this Application for Service are truthful and I am not disqualified to serve due to nepotism, City of Weslaco Charter or Ordinances or State of Texas laws.		Timestamp of Receipt:
Applicant's Signature: [Signature]		
Optional Demographic Information: Self Identification		
Gender: M		
Age: 33		
Race: Hispanic		
Religion: Catholic		
Citizenship: U.S.		



Application for Service

City of Weslaco Boards and Committees

Name of Applicant: Don Ed Holmes Email Address: dohed@theoceanhouse.netPhone Number: 956-330-2696 Alternate Phone Number: 956-973-0552Home Address: 1911 Grandville Dr. S. City: Progress Inside City limits: Yes ☒ NoHow many years have you lived at this residence? 21Mailing Address, if different from home address: P.O. Box 170 Weslaco, TX 78599

What committee/board do you wish to serve on:

AirportWhy do you want to be appointed to this board(s)? I own property @ the Airport & an airplaneWhat value do you believe you will be bringing to the board(s)? Aviation Exp.

What civic involvement and Business Experience applicable to the position(s) to which you are applying: _____

Have you been bonded or eligible to obtain one? ☒ Yes ☐ No.Are you currently suing or being sued by the City of Weslaco or any of its entities? ☐ Yes ☒ NoAre you related to any member of the Commission? ☐ Yes ☒ No.

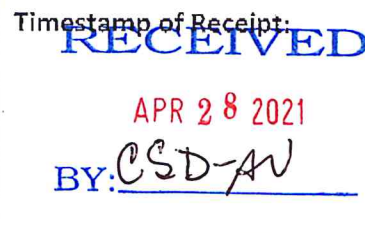
If so, to who and how _____

Have you previously served on a City Board? ☒ Yes ☐ NoIf so, which board and when AirportHave you ever been elected to public Office? ☐ Yes ☒ No.

If so, which office and when? _____

Do you consent to release the info on this application to the public ☒ Yes ☐ No.Are you 25 years of age or older? ☒ Yes ☐ No

The statements I have made on this Application for Service are truthful and I am not disqualified to serve due to nepotism, City of Weslaco Charter or Ordinances of State of Texas laws I understand that if I am appointed to a board I will be expected to participate actively and attend all meetings as necessary. If I am unable to service, I will notify my staff liaison.

Applicant's Signature: Don Ed Holmes Date: 4/28/21



Application for Service

City of Weslaco Boards and Committees

Name of Applicant: Art E. Beckwith Email Address: abeckw9894@gmail.com

Phone Number: 956-330-9554 Alternate Phone Number: 956-565-1998

Home Address: P.O. Box 1029, 5577 Ranch Tolosa City: Progress Inside City limits: ☐ Yes ☒ No

How many years have you lived at this residence? 34

Mailing Address, if different from home address: _____

What committee/board do you wish to serve on:

Airport Advisory

Why do you want to be appointed to this board(s)? To help make Weslaco
Airport - the best airport in the Valley

What value do you believe you will be bringing to the board(s)? Wisdom and
business knowledge

What civic involvement and Business Experience applicable to the position(s) to which you are applying: Past member School Board, Past Chairman of Board RGV Sugar Mill,
Board member Progress Co-op, Past Chairman Producers Milk Co-op

Have you been bonded or eligible to obtain one? ☐ Yes ☒ No.

Are you currently suing or being sued by the City of Weslaco or any of its entities? ☐ Yes ☒ No

Are you related to any member of the Commission? ☐ Yes ☒ No.

If so, to who and how _____

Have you previously served on a City Board? ☒ Yes ☐ No

If so, which board and when Airport Advisory

Have you ever been elected to public Office? ☒ Yes ☐ No.

If so, which office and when? School Board member Progress, 1982

Do you consent to release the info on this application to the public ☒ Yes ☐ No.

Are you 25 years of age or older? ☒ Yes ☐ No

Timestamp of Receipt:
RECEIVED

APR 28 2021

BY: CSD-40

The statements I have made on this Application for Service are truthful and I am not disqualified to serve due to nepotism, City of Weslaco Charter or Ordinances of State of Texas laws I understand that if I am appointed to a board I will be expected to participate actively and attend all meetings as necessary. If I am unable to service, I will notify my staff liaison.

Applicant's Signature: Art E. Beckwith Date: 4/27/21



Application for Service

City of Weslaco Boards and Committees

Name of Applicant: EDWIN M. PAYNE Email Address: BUP@PAYNEGROUP.COM

Phone Number: 956-330-3370 Alternate Phone Number: 956-969-2525

Home Address: 12015. TEXAS BLVD City WESLACO Inside City limits: ☒ Yes ☐ No

How many years have you lived at this residence? 40

Mailing Address, if different from home address: SAME

What committee/board do you wish to serve on:

ADVISORY AIRPORT BOARD

Why do you want to be appointed to this board(s)? TO HELP THE AIRPORT GROW AND TO REACH ITS FULL POTENTIAL FOR THE CITY OF WESLACO

What value do you believe you will be bringing to the board(s)? AS A PILOT AND BUSINESSMAN, I THINK I CAN USE THESE RESOURCES TO HELP MAKE GOOD AND AGGRESSIVE DECISIONS

What civic involvement and Business Experience applicable to the position(s) to which you are applying: _____

Have you been bonded or eligible to obtain one? ☒ Yes ☐ No.

Are you currently suing or being sued by the City of Weslaco or any of its entities? ☐ Yes ☒ No

Are you related to any member of the Commission? ☐ Yes ☒ No.

If so, to who and how _____

Have you previously served on a City Board? ☒ Yes ☐ No

If so, which board and when EDC

Have you ever been elected to public Office? ☐ Yes ☒ No.

If so, which office and when? _____

Do you consent to release the info on this application to the public ☒ Yes ☐ No.

Are you 25 years of age or older? ☒ Yes ☐ No

Timestamp of Receipt:
RECEIVED

APR 28 2021

BY: CSD AU

The statements I have made on this Application for Service are truthful and I am not disqualified to serve due to nepotism, City of Weslaco Charter or Ordinances of State of Texas laws I understand that if I am appointed to a board I will be expected to participate actively and attend all meetings as necessary. If I am unable to service, I will notify my staff liaison.

Applicant's Signature: [Signature] Date: 4/25/21

RESOLUTION NO. 2021-32

**A RESOLUTION OF THE CITY OF WESLACO APPOINTING
MEMBERS TO THE WESLACO MID-VALLEY AIRPORT
COMMITTEE.**

WHEREAS, the City of Weslaco has established the Weslaco Mid-Valley Airport Committee pursuant to Chapter 6 Airport Section 6-34 of the Weslaco Municipal Code of Ordinances; and

WHEREAS, the members of this board shall serve staggered terms of three years with not more than three committee member's terms expiring on the same date; and

WHEREAS, the terms of three members are set to expire June 8, 2021; and

WHEREAS, the Weslaco Mid-Valley Airport Committee members shall serve without compensation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS appoint/reappoint the following individuals to serve on the Weslaco Mid-Valley Airport Committee.

<u>NAME</u>	<u>TERM ENDING</u>
_____	June 8, 2024
_____	June 8, 2024
_____	June 8, 2024

PASSED AND APPROVED on this 4th day of May 2021.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Norma A. Cantu, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4134
From:		
Subject: Discussion and consideration on final reading of Ordinance 2021-14 amending ordinance Number 200 the City of Weslaco Traffic Ordinance; Codified as Chapter 134 of the Weslaco Code of Ordinances, adopting new regulations regarding the stopping, standing or parking vehicle near mailboxes; and ordaining other matters. (First reading held April 20, 2021; staffed by City Manager.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Ordinance - First Reading Ordinance - Final Reading		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA Mike Perez		Created
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: Jorge Luna re concern mailboxes, O2021-14 revised Prohibited Parking- Mailboxes		
Responsibilities upon Approval: Execute and retain.		

Adelaida Vega

From: Mike Perez
Sent: Tuesday, April 13, 2021 7:29 AM
To: Jorge Luna
Subject: RE: Blocked Mailbox Ordinance:

Mr. Luna, I am in receipt of your email relating to blocking access to your mail box. mike

From: Jorge Luna <luna.jorge4@gmail.com>
Sent: Monday, April 12, 2021 4:13 PM
To: Mike Perez <mrperez@weslacotx.gov>
Subject: Blocked Mailbox Ordinance:

Mr. Perez,

As a concerned citizen of Weslaco. I am writing this letter to inform you of an ongoing situation which is consistent blocking of my mailbox since 2013. The next door neighbor places their trash can and parks their vehicles in the street in front of my mailbox which results in the mail carrier not being able to leave me my mail. The Postmaster was notified about the issue, notifications were given to the neighbor to stop the blocking of the mailbox but the problem still continues. I also informed the Weslaco Police and I was told that there was no city ordinance for this matter. I would greatly appreciate it if the Weslaco Board of Commissioners could put in place an ordinance that will correct this ongoing issue.

At this time, there is no accountability to this neighbor creating this problem. Please forward this matter to the Board of Commissioners for a resolution.

Thank you for your time and understanding.

Regards,

--

Jorge Luna

ORDINANCE 2021-14

AN ORDINANCE AMENDING ORDINANCE NUMBER 200 THE CITY OF WESLACO TRAFFIC ORDINANCE; CODIFIED AS CHAPTER 134 OF THE WESLACO CODE OF ORDINANCES, ADOPTING NEW REGULATIONS REGARDING THE STOPPING, STANDING OR PARKING VEHICLE NEAR MAILBOXES; 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 200 passed and approved on September 17, 1951 as "Traffic Ordinance" and Codified as Chapter 134 of the Weslaco Code of Ordinances is hereby amended.

SECTION II.

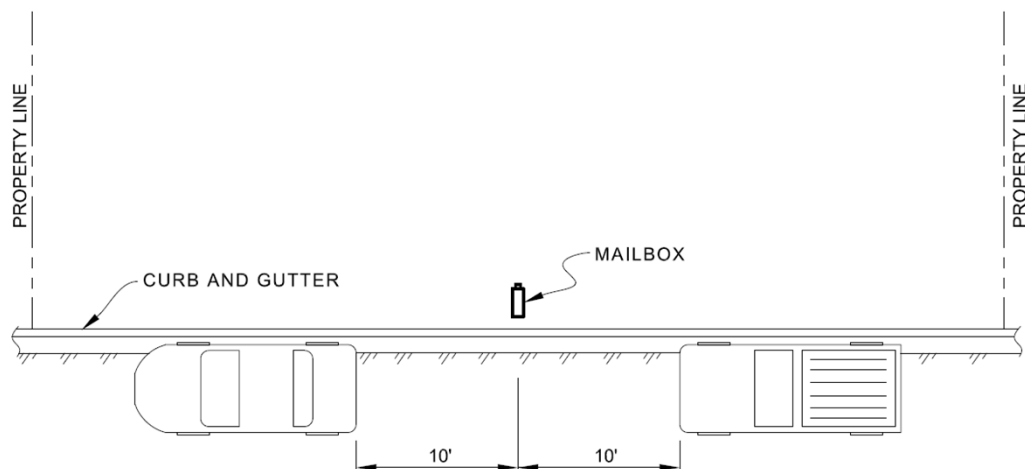
After second and final reading of this Ordinance the amended Traffic ordinance sections will be adopted and codified as Chapter 134 of the Weslaco Code of Ordinances and said Chapter shall read as follows:

CHAPTER 134 TRAFFIC

SECTION 134-134 STOPPING, STANDING OR PARKING VEHICLE NEAR MAILBOXES

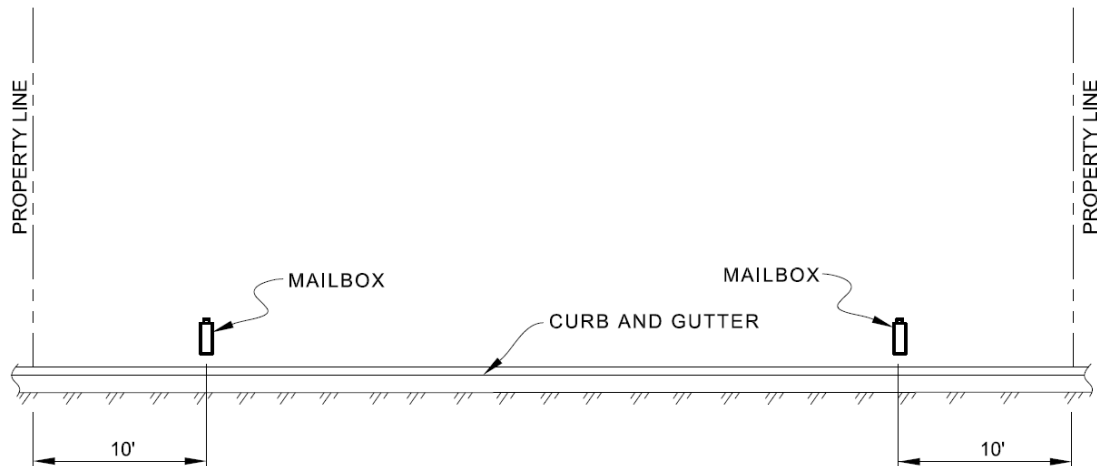
1. It shall be unlawful and a violation to park any vehicle, except a United States Postal vehicle, within 10 feet of a United States Postal box on the sidewalk or street right of way located in a residential use area in accordance with Figure 1.1, between the hours of 8:00 a.m. to 5:00 p.m., Monday through Saturdays, except on federal holidays and except momentarily to load or unload passengers or merchandise.
 - (a) This ordinance shall not apply to non-conforming residential size lots or lots whose frontage width is less than 50 feet.

Figure 1.1



2. Existing mailboxes that have been deemed a nuisance due to proximity to neighboring property line by the Chief of Police or his designee must be relocated, at the property owners expense, to be at a minimum of 10 feet from the property line in accordance with Figure 1.2.
3. The installation of new mailboxes in areas that are not required by the United States Postal to have cluster boxes, must install said mailbox in accordance with Figure 1.2.

Figure 1.2



PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 20th day of April 2021.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 4th day of May 2021.

CITY OF WESLACO

David Suarez, **MAYOR**

ATTEST:

Norma A. Cantu, **CITY SECRETARY**

APPROVED AS TO FORM:

Juan E. Gonzalez, **CITY ATTORNEY**



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4118
From:		
Subject: Discussion and consideration on Ordinance 2021-15 authorizing the issuance of "City of Weslaco Certificates of Obligation, Series 2021"; entering into a certificate of obligation purchase agreement and a paying agent/registrar agreement; and approving all matters related thereto and authorize the Mayor to execute any related documents. First reading of Ordinance 2021-15. Possible action. (Staffed by Finance Department.)		
Background: The city approved a resolution on March 2, 2021 authorizing the publication of Intent to issue certificate of obligation series 2021 not to exceed \$12,050,000. Furthermore, a notice was published in the Monitor on March 08 and 15, 2021. The purpose of the funds is for the construction of Police/Fire facilities, design on rehabilitation of the library and paying any cost associated with the issuance of the Certificates.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature Ordinance - First Reading		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners: March 08 and 15 in the Monitor.		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA VIDAL ROMAN Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval of the Ordinance.		
Attachments, if any: Series 2021 Memo, Weslaco (City of), TX Certificates of Obligation, Series 2021 POS (Rev), Ordinance 2021-15		
Responsibilities upon Approval:		

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Letty Lopez, Mayor Pro-Tem, District 5
Leo Muñoz, Commissioner, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

Date: May 4, 2021

To: Mayor and City Commission

CC: Mike R. Perez, City Manager

FR: Vidal Roman, Finance Director

Re: Series 2021 Certificate of Obligation

The City is issuing Certificates in the amount of \$12, 250,000 hereinafter known as Series 2021 for the construction of a Police and Fire Stations. Some proceeds will be used for the design of the rehabilitation of the library and cost associated with the issuance of these obligation.

This obligation will be for 20 years with a range of \$10,000 to \$850,000 ending in year 2041. The Certificates have an expected delivery date of May 27,2021.

Staff recommends approval.

PRELIMINARY OFFICIAL STATEMENT

Dated April 26, 2021



RATING:

S&P: "AA-"

(See "OTHER INFORMATION – Ratings" herein.)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the City (defined below) after the date of initial delivery of the Certificates described below with certain covenants contained in the Ordinance (defined below) authorizing the Certificates and subject to the matters set forth under "FEDERAL TAX MATTERS" herein, interest on the Certificates for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions, will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates and will not be an item of tax preference for purposes of the alternative minimum tax. (See "FEDERAL TAX MATTERS" herein.)

\$12,250,000*

CITY OF WESLACO, TEXAS

(A Home-Rule Municipal Corporation of the State of Texas Located in Hidalgo County)

CERTIFICATES OF OBLIGATION, SERIES 2021

Dated Date: April 15, 2021

Due: February 15, as shown on inside cover

Interest to accrue from Dated Date

PAYMENT TERMS . . . Interest on the \$12,250,000* City of Weslaco, Texas, Certificates of Obligation, Series 2021 (the "Certificates"), will accrue from the Dated Date and will be payable August 15 and February 15 of each year commencing August 15, 20__, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Certificates will be made to the owners thereof.** Principal of and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. (See "THE CERTIFICATES - Book-Entry-Only System" herein.) The initial Paying Agent/Registrar is BOK Financial, Dallas, Texas. (See "THE CERTIFICATES - Paying Agent/Registrar.")

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, the Home Rule Charter of the City, and an ordinance to be adopted by the City Commission of the City of Weslaco, Texas (the "City") on May 4, 2021 (the "Ordinance"). The Certificates are direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a subordinate lien pledge of surplus revenues not to exceed \$1,000 of the City's Waterworks and Sewer System. (See "THE CERTIFICATES - Authority for Issuance" and "THE CERTIFICATES - Security and Source of Payment".)

PURPOSE . . . Proceeds from the sale of the Certificates will be used for providing for payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property including a (1) fire station, (2) police station, and (3) library and for the payment of cost of issuance of the Certificates. (See "THE CERTIFICATES - Use of Proceeds").

CUSIP PREFIX: 950868
MATURITY SCHEDULE, INTEREST RATES,
INITIAL PRICE OR YIELD, AND
9 DIGIT CUSIP NUMBER
See Schedule on Page 2

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the initial purchasers thereof named below (the "Underwriters") and subject to the approving opinion of the Attorney General of the State of Texas and the opinion of Winstead PC, San Antonio, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Perez Law Firm, McAllen, Texas. (See APPENDIX C, "Form of Bond Counsel's Opinion.")

DELIVERY . . . It is expected that the Certificates will be available for delivery through DTC on Thursday, May 27, 2021.

FROST BANK

ESTRADA HINOJOSA

RAYMOND JAMES

* Preliminary, subject to change.

**MATURITY SCHEDULE, INTEREST RATES, INITIAL PRICE
OR YIELD, AND 9 DIGIT CUSIP NUMBER***

CUSIP Prefix: 950868⁽¹⁾

February 15 Maturity	Principal Amount	Interest Rate	Initial Price or Yield	Cusip Suffix ⁽¹⁾	February 15 Maturity	Principal Amount	Interest Rate	Initial Price or Yield	Cusip Suffix ⁽¹⁾
2022	\$ 10,000				2032	\$ 660,000			
2023	80,000				2033	680,000			
2024	525,000				2034	695,000			
2025	540,000				2035	715,000			
2026	555,000				2036	740,000			
2027	575,000				2037	760,000			
2028	590,000				2038	780,000			
2029	605,000				2039	800,000			
2030	625,000				2040	825,000			
2031	640,000				2041	850,000			

(Interest accrues from Dated Date)

(1) CUSIP® is a registered trademark of the American Bankers Association, CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the State, the Board, the Financial Advisor (as defined herein), or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, ____, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, ____, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Any Certificates structured as Term Certificates (defined herein) will be subject to mandatory sinking fund redemption. (See “THE CERTIFICATES - Optional Redemption.”)

* Preliminary, subject to change.

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USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date of this Official Statement ("Rule 15c2-12"), this preliminary official statement constitutes an official statement of the City with respect to the Certificates that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been provided by sources other than the City that the City believes is reliable, but the City makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. (See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.)

The prices and other terms respecting the offering and sale of the Certificates may be changed from time to time by the Underwriters after the Certificates are released for sale, and the Certificates may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Certificates into investment accounts.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE CERTIFICATES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE CITY, THE FINANCIAL ADVISOR NOR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

This Official Statement contains "Forward-Looking" Statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the Forward-Looking Statements. (See "OTHER INFORMATION – Forward Looking Statements Disclaimer.")

The agreements of the City and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with the purchasers of the Certificates. INVESTORS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY	The City of Weslaco (the “City”) is a political subdivision and home-rule municipal corporation of the State of Texas (the “State”), located in Hidalgo County, Texas. The City covers approximately 14.12 square miles and has an estimated population of 41,171. (See “INTRODUCTION - Description of the City.”)
THE CERTIFICATES	The Certificates are issued as \$12,250,000* Certificates of Obligation, Series 2021. The Certificates are issued as serial certificates maturing 2022 through 2041, unless the Underwriters designate one or more consecutive maturities as a “Term Certificate”. (See “THE CERTIFICATES - Description of the Certificates.”)
PAYMENT OF INTEREST	Interest on the Certificates accrues from the Dated Date, and is payable August 15, 20__, and each August 15 and February 15 thereafter until maturity or prior redemption. (See “THE CERTIFICATES - Description of the Certificates” and “THE CERTIFICATES - Optional Redemption.”)
AUTHORITY FOR ISSUANCE	The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, the Home Rule Charter of the City, and an ordinance to be adopted by the City Commission of the City on May 4, 2021. (See “THE CERTIFICATES - Authority for Issuance.”)
SECURITY FOR THE CERTIFICATES	The Certificates are direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a subordinate lien pledge of surplus revenues not to exceed \$1,000 of the City’s Waterworks and Sewer System. (See “THE CERTIFICATES - Authority for Issuance” and “THE CERTIFICATES – Security and Source of Payment”).
REDEMPTION	The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, ____, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, ____, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Any Certificates structured as Term Certificates will be subject to mandatory sinking fund redemption. (See “THE CERTIFICATES - Optional Redemption.”)
TAX EXEMPTION	In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “FEDERAL TAX MATTERS” herein.
USE OF PROCEEDS	Proceeds from the sale of the Certificates will be used for providing for payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property including a (1) fire station, (2) police station, and (3) library and for the payment of cost of issuance of the Certificates. (See “THE CERTIFICATES - Use of Proceeds”).
RATINGS	An application for a contract rating on the Certificates has been made S&P Global Ratings (See “OTHER INFORMATION - Ratings.”)
BOOK-ENTRY-ONLY SYSTEM	The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. (See “THE CERTIFICATES - Book-Entry-Only System.”).

* Preliminary, subject to change.

PAYMENT RECORD The City has never defaulted on its revenue bonds. It has not defaulted on its debt payable from ad valorem taxes since 1937 when all bonds were refunded at par at a reduced rate of interest.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	Net Tax Debt ⁽³⁾	Per Capita Tax Debt ⁽³⁾	Ratio Tax Debt to Taxable Assessed Valuation ⁽³⁾	% of Total Tax Collections ⁽³⁾
2017	39,474	\$ 1,741,694,829	44,123	\$ 18,836,255	\$ 477	1.08%	99.53%
2018	39,474	1,813,659,355	45,946	16,951,072	429	0.93%	97.58%
2019	40,358	1,811,671,009	44,890	18,800,000	466	1.04%	95.78%
2020	41,171	1,886,039,393	45,810	25,120,000	610	1.33%	96.83% ⁽⁴⁾
2021	45,288	2,014,633,430	44,485	35,735,000 ⁽⁵⁾	789	1.77%	In Process of Collection

(1) Source: City Officials.

(2) As reported by the Hidalgo County Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Does not include self-supporting debt.

(4) Projected.

(5) Preliminary, subject to change.

CHANGE IN NET ASSETS – GOVERNMENTAL ACTIVITIES

	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
Beginning Net Assets	\$ 26,282,194	\$ 21,150,019	\$ 27,985,075	\$ 27,973,344	\$ 28,254,589
Total Revenue	36,681,654	31,023,095	29,263,708	27,736,294	27,032,604
Total Expenditures	32,601,788	32,575,446	31,493,613	31,552,915	28,044,495
Transfers	2,181,304	2,440,561	2,051,045	3,236,311	1,047,104
Prior Period Adjustment	(381,039)	4,243,965	(6,656,196)	592,041	(316,458)
Ending Net Assets	<u>\$ 32,162,325</u>	<u>\$ 26,282,194</u>	<u>\$ 21,150,019</u>	<u>\$ 27,985,075</u>	<u>\$ 27,973,344</u>

Source. City's audited financial statements.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
Beginning Balance	\$ 10,844,328	\$ 9,423,776	\$ 7,529,804	\$ 8,081,571	\$ 9,024,986
Total Revenue	31,813,494	27,579,356	26,094,558	24,930,693	24,021,332
Total Expenditures	29,488,083	26,516,352	27,318,364	25,524,743	23,915,948
Other Sources	368,731	357,548	3,117,778	42,283	(1,048,799)
Net Funds Available	2,694,142	1,420,552	1,893,972	(551,767)	(943,415)
Prior Period Adjustment	-	-	-	-	-
Ending Balance	<u>\$ 13,538,470</u>	<u>\$ 10,844,328</u>	<u>\$ 9,423,776</u>	<u>\$ 7,529,804</u>	<u>\$ 8,081,571</u>

Source. City's audited financial statements.

CITY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

<u>City Commission</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
David Suarez Mayor	6 Years	November, 2022	County Government
Letty Lopez Mayor Pro-Tem, District 5	5 Years	November, 2022	Comptroller
Leo Muñoz Commissioner, District 1	5 Years	November, 2021	Professional Engineer
Greg Kerr Commissioner, District 2	6 Years	November, 2023	Attorney
Jose "JP" Rodriguez Commissioner, District 3	3 Years	November, 2023	Union Representative
Adrian Farias Commissioner, District 4	1 Year	November, 2021	Insurance Broker
Josh Pedraza Commissioner, District 6	4 Years	November, 2022	Coach

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service to the City</u>	<u>Total Government Service</u>
Mike R. Perez	City Manager	6 Years	40 Years
Vidal Roman	Finance Director	1 Year	31 Years
Norma A. Cantu	City Secretary	5 Years	28 Years
Juan E. Gonzalez	City Attorney	4 Years	14 Years

CONSULTANTS AND ADVISORS

Auditors Carr, Riggs & Ingram, LLC
Weslaco, Texas

Bond Counsel Winstead PC
San Antonio, Texas

Financial Advisor.....Hilltop Securities Inc.
San Antonio, Dallas and McAllen, Texas

For additional information regarding the City, please contact:

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City Manager
City of Weslaco, Texas
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Weslaco, Texas 78596
956-968-3181 - Telephone
mrperez@weslacotx.gov

or

Mr. Vidal Roman
Finance Director
City of Weslaco, Texas
255 S. Kansas Ave
Weslaco, Texas 78596
956-968-3181 - Telephone
vroman@weslacotx.gov

or

Ms. Anne Burger Entrekin
Hilltop Securities Inc.
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Suite 710
San Antonio, Texas 78216
210-308-2200 - Telephone
anne.burgerentrekin@hilltopsecurities.com

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PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$12,250,000*

CITY OF WESLACO, TEXAS

(A Home-Rule Municipal Corporation of the State of Texas Located in Hidalgo County)

CERTIFICATES OF OBLIGATION, SERIES 2021

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$12,250,000* City of Weslaco, Texas, Certificates of Obligation, Series 2021 (the “Certificates”). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance of the City Commission of the City of Weslaco Texas (the “City”) to be adopted on the date of sale of the Certificates which will authorize the issuance of the Certificates (the “Ordinance”), except as otherwise indicated herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the Official Statement will be electronically deposited with the Municipal Securities Rulemaking Board through its Electronic Municipal Markets Access (“EMMA”) system at www.emma.msrb.org. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the City’s undertaking to provide certain information on a continuing basis.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State of Texas (the “State”), duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City was incorporated in 1919, and first adopted its Home Rule Charter in 1927. The City operates under a Commission/Manager form of government with a City Commission comprised of the Mayor and six Commissioners (the “City Commission”). The term of office is three years with the Mayor’s term expiring in one year, two Commissioners’ terms expiring in the next year and the other Commissioners’ terms expiring the following year. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, electric, water and wastewater utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the City was 35,670, while the estimated 2021 population is 41,171. The City covers approximately 14.12 square miles.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the “State”). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID- 19 in the United States.

On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in Texas in response to the Pandemic which has been subsequently extended and is still in effect. In addition, certain local officials, including the City and Hidalgo County, have also declared a local state of disaster. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. However, on March 2, 2021, the Governor issued Executive Order GA-34, which took effect on March 10, 2021, and superseded most of the executive orders relating to COVID19 and provides, generally, for the reopening of the State to 100%, ends the COVID19 mask mandate, and superseded any conflicting order issued by local officials in response to COVID-19, among other things and subject to certain limitations. Executive Order GA-34 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

* Preliminary, subject to change.

The City collects a sales and use tax on all taxable transactions within the City's boundaries, revenue from the sale of, water and the collection of sewage, hotel occupancy taxes upon the occupancy of any hotel or motel room in the City, and other excise taxes and fees that depend on business activity. Further actions may be taken to slow the Pandemic which may reduce economic activity within the City on which the City collects taxes, charges, and fees. A reduction in the collection of sales or other excise taxes, water and sewer system revenue, hotel occupancy tax revenues, and other fees and charges may negatively impact the City's operating budget and overall financial condition. In addition, the Pandemic has resulted in volatility of the value of investments in pension funds. Any prolonged continuation of the Pandemic could further weaken asset values or slow or prevent their recovery, which could require increased City contributions to fund or pay retirement and other post-employment benefits in the future.

The full extent of the ongoing impact of COVID-19 on the City's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted. The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the City. The financial and operating data contained herein are the latest available but are for the dates and the periods stated herein, which are for periods prior to the economic impact of the Pandemic and efforts to slow it. It is unclear at this time what effect, if any, COVID-19 and resulting economic disruption may have on future assessed values or the collection of taxes, either because of delinquencies or collection and valuation relief resulting from the declared emergency. It is unclear at this time what effect, if any, COVID-19 and resulting economic disruption may have on future assessed values or the collection of taxes, either because of delinquencies or collection and valuation relief resulting from the declared emergency. The Certificates are secured by ad valorem taxes and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Certificates as well as the City's share of operations and maintenance expenses payable from ad valorem taxes.

THE CERTIFICATES

The Certificates are dated April 15, 2021, and mature on August 15 in each of the years and in the amounts shown on page 2. Interest will accrue from the Dated Date, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15, commencing August 15, 20__, until maturity or earlier redemption. The definitive Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry-only system described herein. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. (See "THE CERTIFICATES - Book-Entry-Only System" herein.)

AUTHORITY FOR ISSUANCE . . . The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . All taxable property within the City is subject to a continuing direct annual ad valorem tax levied by the City sufficient to provide for the payment of principal of and interest on all obligations payable in whole or in part from ad valorem taxes ("Tax Debt"), which tax must be levied within limits prescribed by law. Additionally, the Certificates are payable from and secured by a subordinate lien pledge of surplus revenues not to exceed \$1,000 of the City's Waterworks and Sewer System, as provided in the Ordinance.

USE OF PROCEEDS . . . Proceeds from the sale of the Certificates will be used for providing for payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property including a (1) fire station, (2) police station, and (3) library, and for the payment of cost of issuance of the Certificates.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all Tax Debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. The Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all Tax Debt service, as calculated at the time of issuance.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after August 15, ____, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, ____, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) will determine by lot the

Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) has been called for redemption and notice of such redemption given, such Certificate (or the principal amount thereof to be redeemed) will become due and payable on such redemption date and interest thereon will cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Two or more consecutive maturities of the Certificates aggregated into a single maturity (the "Term Certificates"), if any, by the Underwriters will be subject to mandatory sinking fund redemption.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Certificates, the City must cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed prior to maturity, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE CERTIFICATES CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY CERTIFICATE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATE OR PORTION THEREOF WILL CEASE TO ACCRUE.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

AMENDMENTS . . . The City may amend the Ordinance without the consent of or notice to any registered owner in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of the registered owners of a majority in aggregate principal amount of the Certificates then outstanding, amend, add to, or rescind any of the provisions of the Ordinance; except that, without the consent of the registered owners of all of the Certificates then outstanding, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount, thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by registered owners for consent to any such amendment, addition, or rescission.

DEFEASANCE . . . The Ordinance provides for the defeasance of any series of the Certificates when the payment of the principal of such series of the Certificates plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or other authorized escrow agent, in trust (1) money sufficient to make such payment and/or (2) Government Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the paying agent for the Certificates being defeased. The Ordinance provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under applicable laws of the State of Texas. In addition, the City reserves the right, subject to satisfying the requirements of (1) and/or (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Certificates will no longer be regarded to be outstanding or unpaid; provided, however, that the City has reserved the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM . . . This section describes how ownership of the Certificates is to be transferred and how the principal and interest on the Certificates are to be paid to and credited by DTC, New York, New York, while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City, the Financial Advisor, and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+" (stable outlook). The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the register and request that copies of the notices be provided directly to them.

Redemption notices for the Certificates must be sent to DTC. If less than all of the Certificates of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar of each series, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar of each series, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent/Registrar of each series, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the City or the respective Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System is discontinued, printed Certificates will be issued to the DTC Participants or the owner, as the case may be, and such Certificates will be subject to transfer, exchange, and registration provisions as set forth in the Ordinance and summarized under "THE CERTIFICATES - Transfer, Exchange and Registration" below.

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . . In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor, or the Underwriters.

PAYMENT RECORD . . . The City has never defaulted on its revenue bonds. It has not defaulted on its debt payable from ad valorem taxes since 1937 when all bonds were refunded at par at a reduced rate of interest.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is Bank of Texas Financial, Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar must be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates by United States mail, first class, postage prepaid, which notice must also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE, AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange, and transfer. Certificates may be assigned by the execution of an assignment form on the respective Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer will be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. (See "THE CERTIFICATES - Book-Entry-Only System" above for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates.) Neither the City nor the Paying Agent/Registrar will be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer is not applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

RECORD DATE FOR INTEREST PAYMENT . . . The date for determining the person to whom the interest is payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month ("Record Date").

SPECIAL RECORD DATE . . . 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 interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (“Special Payment Date”, which must be 15 days after the Special Record Date) must 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 each registered owner of a Certificate appearing on the registration 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.

CERTIFICATE OWNERS’ REMEDIES . . . The Ordinance does not establish specific events of default with respect to the Certificates. If the City defaults in the payment of principal, interest, or redemption price on the Certificates when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Ordinance and the City’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the registered owners upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages, registered owners may not be able to bring such a suit against the City for breach of the Certificates or Ordinance covenants. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City’s property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or registered owners of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors.

PERFECTED SECURITY INTEREST FOR THE CERTIFICATES . . . Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under the Ordinance and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and revenues granted by the City under the Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

USE OF CERTIFICATE PROCEEDS . . . Proceeds from the sale of the Certificates are expected to be expended as follows:

Sources of Funds:

Par Amount	
Accured Interest	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>

Uses of Funds:

Deposit to Construction Fund	
Deposit to Interest and Sinking Fund	
Costs of Issuance and Additional Proceeds	
Underwriters' Discount	
Total Uses of Funds	<u>\$ -</u>

AD VALOREM TAX INFORMATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Hidalgo County Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property. State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land. The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – City and Taxpayer Remedies").

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal. Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit,

on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory. A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY A DISASTER. . . The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes, located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Property Tax Code. Section 11.35 of the Property Tax Code was enacted during the 2019 legislative session, and there is no historical judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued on April 13, 2020, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster and would not apply to purely economic, non-physical damage to property such as economic losses caused by the Pandemic.

TAX INCREMENT REINVESTMENT ZONES . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. For a discussion of how the various exemptions described above are applied by the City, see "AD VALOREM PROPERTY TAXATION – City Application of Tax Code".

CITY AND TAXPAYER REMEDIES . . . Under certain circumstances, taxpayers and taxing units, including the City, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Beginning in the 2020 tax year, owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the

tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances. The Property Tax Code permits taxpayers owning homes or certain businesses located in a disaster area and damaged as a direct result of the declared disaster to pay taxes imposed in the year following the disaster in four equal installments without penalty or interest, commencing on February 1 and ending on August 1. See “AD VALOREM PROPERTY TAXATION – Temporary Exemption of Qualified Property Damaged by a Disaster” for further information related to a discussion of the applicability of this section of the Property Tax Code.

CITY’S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the City, having power to tax the property. The City’s tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest. At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer’s debt. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS . . . The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“special taxing unit” means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a city’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate”.

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year. In certain cases, its de minimis rate, an election must be held to determine whether or not to reduce

the adopted tax rate to the voter approval tax rate. A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase. For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$10,000; the disabled are also granted an exemption of \$10,000.

The City has not granted an additional exemption of 20% of the market value of residence homesteads; minimum exemption of \$5,000.

(See "Table 1 – Valuation, Exemptions, and Tax Debt" herein for a listing of the amounts of the exemptions described above.)

The City has adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property; and the Hidalgo County Tax Office collects taxes for the City.

The City does not permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does tax goods-in-transit.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has not adopted a tax abatement policy.

TABLE 1 - VALUATION, EXEMPTIONS, AND TAX DEBT

2020/2021 Market Valuation Established by Hidalgo County Appraisal District (excluding totally exempt property)		\$2,141,375,907
Less Exemptions/Reductions at 100% Market Value:		
Homestead Cap Adjustment	\$ 28,434,482	
Disabled Veterans	20,705,123	
Over 65 or Disabled	27,494,154	
Pollution	578,070	
Productivity Loss	45,753,514	
Other Exemptions	29,982	
Freeport Exemption	<u>3,747,152</u>	<u>126,742,477</u>
2020/2021 Net Taxable Assessed Valuation		<u>\$2,014,633,430</u>
Debt Payable from Ad Valorem Taxes ("Tax Debt") as of February 28, 2021		
Tax Bonds	\$ 60,225,000	
Certificates of Obligation	6,130,000	
The Certificates ⁽¹⁾	<u>12,250,000</u>	
Total Tax Debt		<u>\$ 78,605,000</u>
Less: Self-Supporting Debt		
Certificates of Obligation, Series 2012	\$ 1,200,000	
Certificates of Obligation, Series 2014	150,000	
Limited Tax Refunding Bonds, Series 2016	12,150,000	
Limited Tax Refunding Bonds, Series 2017	19,045,000	
Limited Tax Refunding Bonds, Series 2020	<u>9,685,000</u>	<u>\$ 42,230,000</u>
Net Tax Debt		<u>\$ 36,375,000 ⁽¹⁾</u>
Tax Debt Interest and Sinking Fund as of February 28, 2021	\$	-
Ratio Net Tax Debt to Taxable Assessed Valuation		1.81%

2021 Estimated Population - 41,171
Per Capita Taxable Assessed Valuation - \$48,933
Per Capita Tax Debt - \$1,909
Per Capita Net Tax Debt - \$884

(1) Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2021		2020		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 996,584,251	46.54%	\$ 870,057,112	40.63%	\$ 834,008,391	43.72%
Real, Residential, Multi-Family	107,932,825	5.04%	88,496,169	4.13%	70,404,168	3.69%
Real, Vacant Lots/Tracts	69,802,039	3.26%	78,316,144	3.66%	71,876,968	3.77%
Real, Acreage (Land Only)	46,353,263	2.16%	49,356,871	2.30%	48,407,821	2.54%
Real, Farm and Ranch Improvements	9,122,329	0.43%	6,232,166	0.29%	6,459,324	0.34%
Real, Commercial and Industrial	610,194,304	28.50%	596,907,325	27.87%	582,196,011	30.52%
Real, Oil and Gas	1,544,105	0.07%	6,510	0.00%	10,450	0.00%
Real and Tangible Personal, Utilities	22,448,297	1.05%	28,560,769	1.33%	25,370,412	1.33%
Tangible Personal, Business	197,644,625	9.23%	197,879,247	9.24%	191,795,648	10.05%
Tangible Personal, Other	45,500,169	2.12%	43,737,368	2.04%	45,980,454	2.41%
Real Property, Inventory	10,915,529	0.51%	9,888,417	0.46%	11,661,606	0.61%
Special Inventory	23,334,171	1.09%	22,801,320	1.06%	19,177,055	1.01%
Miscellaneous	-	0.00%	-	0.00%	323,554	0.02%
Total Appraised Value Before Exemptions	\$2,141,375,907	100.00%	\$1,992,239,418	100.00%	\$ 1,907,671,862	100.00%
Less: Total Exemptions/Reductions	126,742,477		106,200,025		96,000,853	
Taxable Assessed Value	<u>\$2,014,633,430</u>		<u>\$1,886,039,393</u>		<u>\$ 1,811,671,009</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2018		2017	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 827,413,624	43.14%	\$ 788,068,191	42.94%
Real, Residential, Multi-Family	77,162,952	4.02%	62,781,097	3.42%
Real, Vacant Lots/Tracts	73,949,776	3.86%	76,998,009	4.20%
Real, Acreage (Land Only)	47,834,657	2.49%	49,352,207	2.69%
Real, Farm and Ranch Improvements	564,171,915	29.42%	6,525,578	0.36%
Real, Commercial & Industrial	11,448,644	0.60%	543,714,423	29.63%
Real, Oil and Gas	8,800	0.00%	8,960	0.00%
Real and Tangible Personal, Utilities	23,893,322	1.25%	22,527,842	1.23%
Tangible Personal, Business	210,328,933	10.97%	202,887,469	11.05%
Tangible Personal, Other	47,544,767	2.48%	48,755,868	2.66%
Real Property, Inventory	12,105,726	0.63%	11,730,986	0.64%
Special Inventory	22,081,961	1.15%	21,921,496	1.19%
Miscellaneous	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$1,917,945,077	100.00%	\$1,835,272,126	100.00%
Less: Total Exemptions/Reductions	104,285,722		93,577,297	
Taxable Assessed Value	<u>\$1,813,659,355</u>		<u>\$1,741,694,829</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Hidalgo County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

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TABLE 3 - VALUATION AND TAX DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Year ⁽³⁾	Ratio of Net Tax Debt to Taxable Assessed Valuation	Net Tax Debt Per Capita
2017	39,474	\$ 1,741,694,829	\$ 44,123	\$ 18,836,255	1.08%	\$ 477
2018	39,474	1,813,659,355	45,946	16,951,072	0.93%	429
2019	40,358	1,811,671,009	44,890	18,800,000	1.04%	466
2020	41,171	1,886,039,393	45,810	25,120,000	1.33%	610
2021	45,288	2,014,633,430	44,485	35,735,000 ⁽⁴⁾	1.77%	789

(1) Source: City officials.

(2) As reported by the Hidalgo County Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Does not include self-supporting debt.

(4) Includes the Certificates. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY, AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2017	\$ 0.6667	\$ 0.5586	\$ 0.1081	\$ 11,478,848	95.69%	99.53%
2018	0.6667	0.5146	0.1521	11,812,045	97.20%	97.58%
2019	0.6667	0.5143	0.1524	11,836,842	96.62%	96.62%
2020	0.6967	0.5109	0.1858	12,988,689	96.51%	96.83%
2021	0.6967	0.5109	0.1858	13,847,554	In Process of Collection	

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2020/21 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
H.E. Butt Grocery Company	Grocery Store	\$ 40,769,270	2.02%
HEB Weslaco Transportation	Warehouse/Distribution	21,405,246	1.06%
Wal-Mart Real Estate Business Trust	Real Estate/Retail	16,413,816	0.81%
G3C Weslaco LP	Real Estate/Retail	15,173,098	0.75%
CapCor Weslaco Ltd.	Holding Company	14,959,087	0.74%
AEP Texas Central Co.	Electric Utility	14,077,720	0.70%
Weslaco Micro-Hospital LLC	Hospital	9,400,000	0.47%
Jazman RGV Group LLC	Real Estate	8,530,254	0.42%
Lowe's Home Centers Inc.	Retail	7,689,390	0.38%
Boyd Weslaco GSA LLC	Service	7,669,766	0.38%
		<u>\$ 156,087,647</u>	<u>7.75%</u>

TAX DEBT LIMITATION . . . No Tax Debt limitation is imposed on the City under current State law or the City's Home Rule Charter. (See "THE CERTIFICATES - Tax Rate Limitation.")

TABLE 6 - TAX ADEQUACY

2021 Principal and Interest Requirements ⁽¹⁾	\$ 3,370,489
\$0.1733 Tax Rate at 97% Collection Produces	\$ 3,370,489
Average Annual Principal and Interest Requirements, 2021- 2041 ⁽¹⁾	\$ 2,361,902
\$0.1214 Tax Rate at 97% Collection Produces	\$ 2,361,902
Maximum Annual Principal and Interest Requirements, 2022 ⁽¹⁾	\$ 3,689,669
\$0.1897 Tax Rate at 97% Collection Produces	\$ 3,689,669

(1) Does not include self-supporting debt; preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping Tax Debt was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2020/21 Taxable Assessed Value	2020/21 Tax Rate	Net Tax Debt As of 2/28/2021	Estimated % Applicable	City's Overlapping Tax Debt As of 2/28/2021	Authorized But Unissued Debt As Of 2/28/2021
City of Weslaco	\$ 2,014,633,430	\$0.6967	\$ 36,375,000 ⁽¹⁾	100.00%	\$36,375,000	\$ -
Hidalgo County	39,686,470,484	0.5800	366,620,000	5.36%	19,650,832	-
Hidalgo County Drainage District #1	39,046,363,313	0.1026	172,350,000	5.58%	9,617,130	216,155,000
South Texas College	42,834,514,596	0.1718	128,814,693	5.02%	6,466,498	-
Weslaco Independent School District	2,443,242,524	1.0890	65,821,526 ⁽²⁾	71.76%	47,233,527	-
Total Direct and Overlapping Tax Debt					\$ 119,342,987	
Ratio of Direct and Overlapping Tax Debt to Taxable Assessed Valuation					5.92%	
Per Capita Overlapping Tax Debt					\$ 3,174	

(1) Does not include self-supporting debt; preliminary, subject to change.

(2) Excludes approximately 69.17% of the district's debt that has qualified for Existing Debt Allotment or Instructional Facilities Allotment payments to be received from the Texas Education Agency.

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TAX DEBT INFORMATION

TABLE 8 - PRO-FORMA TAX DEBT SERVICE REQUIREMENTS

Year Ending 9/30	Outstanding Tax Debt Service ⁽¹⁾			The Certificates ⁽²⁾			Less: Self-Supporting Debt Service	Total Tax Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total			
2021	\$ 5,750,000	\$ 2,570,411	\$ 8,320,411				4,949,922	3,370,489	
2022	5,545,000	2,438,597	7,983,597	\$ 10,000	\$ 425,739	\$ 435,739	4,729,667	3,689,669	
2023	5,780,000	2,208,685	7,988,685	80,000	348,840	428,840	4,731,967	3,685,558	
2024	4,955,000	1,981,630	6,936,630	525,000	346,560	871,560	4,854,237	2,953,953	
2025	5,165,000	1,767,360	6,932,360	540,000	331,598	871,598	4,844,238	2,959,720	35.17%
2026	5,405,000	1,527,666	6,932,666	555,000	316,208	871,208	4,842,039	2,961,835	
2027	5,645,000	1,289,032	6,934,032	575,000	300,390	875,390	4,842,500	2,966,922	
2028	4,225,000	1,111,588	5,336,588	590,000	284,003	874,003	3,788,551	2,422,040	
2029	4,380,000	959,894	5,339,894	605,000	267,188	872,188	3,793,480	2,418,601	
2030	4,545,000	802,322	5,347,322	625,000	249,945	874,945	3,801,985	2,420,283	68.31%
2031	4,705,000	638,206	5,343,206	640,000	232,133	872,133	3,798,665	2,416,674	
2032	4,885,000	464,934	5,349,934	660,000	213,893	873,893	3,808,419	2,415,408	
2033	2,660,000	282,397	2,942,397	680,000	195,083	875,083	1,400,630	2,416,849	
2034	2,155,000	210,996	2,365,996	695,000	175,703	870,703	1,400,989	1,835,709	
2035	815,000	149,675	964,675	715,000	155,895	870,895		1,835,570	91.07%
2036	850,000	117,800	967,800	740,000	135,518	875,518		1,843,318	
2037	885,000	84,575	969,575	760,000	114,428	874,428		1,844,003	
2038	920,000	49,669	969,669	780,000	92,768	872,768		1,842,436	
2039	670,000	13,400	683,400	800,000	70,538	870,538		1,553,938	
2040				825,000	47,738	872,738		872,738	100.00%
2041				850,000	24,225	874,225		874,225	
	<u>\$69,940,000</u>	<u>\$ 18,668,838</u>	<u>\$ 88,608,838</u>	<u>\$12,250,000</u>	<u>\$ 4,328,386</u>	<u>\$16,578,386</u>	<u>\$ 55,587,289</u>	<u>\$ 49,599,934</u>	

(1) "Outstanding Debt" does not include lease/purchase obligations.

(2) Preliminary, subject to change.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Debt Service Requirements, Fiscal Year Ending 9/30/2021 ⁽¹⁾		\$ 3,370,489
Interest and Sinking Fund, 9/30/2020	\$ 373,866	
Budgeted Interest and Sinking Fund Tax Levy	3,132,318	
Estimated Interest Income/Delinquent Taxes/Penalties	<u>46,000</u>	<u>3,552,184</u>
Estimated Balance, Fiscal Year Ending 9/30/2021		<u>\$ 181,695</u>

(1) Does not include self-supporting debt; preliminary, subject to change.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT

Net Waterworks and Sewer System Revenue Available as of 9/30/2020	\$ 6,743,010
Less: Requirements for Waterworks and Sewer System Revenue Bonds	<u>4,963,000</u>
Total Balance	<u>\$ 1,780,010</u>
Requirements for Waterworks and Sewer System Tax Debt	\$ 4,963,000
Percentage of Waterworks and Sewer System Tax Debt Self-Supporting	100%

TABLE 11 - AUTHORIZED BUT UNISSUED TAX DEBT

As of January 31, 2021, the City does not have any authorized but unissued voter-approved Tax Debt.

ANTICIPATED ISSUANCE OF TAX DEBT . . . The City does anticipate issuing it \$3,335,000* Combination Tax and Revenue Certificates of Obligation, Series 2021A to the Texas Water Development Board which are expected to be delivered by July 2021.

* Preliminary, subject to change

TABLE 12 – OTHER OBLIGATIONS

As of September 30, 2020, the City currently does not have any other Tax Debt obligations other than shown above.

The following obligations, among others, may be issued by the City:

- Ad valorem tax-supported debt may be issued to finance capital improvements and to refund obligations previously issued for such purpose. A majority vote of the qualified voters is ordinarily required to authorize the issuance of ad valorem tax-supported debt, other than refunding bonds, certificates of obligation, tax anticipation notes, and public property finance contractual obligations.
- Certificates of obligation may be issued for the purpose of paying contractual obligations incurred in the construction of public works or the purchase of land, materials, and other supplies or services for the City's needs and for professional services without an election except under certain circumstances. The certificates of obligation may be refunded by ad valorem tax-supported bonds without an election. In addition, the City may issue certificates of obligation with a pledge of both tax and revenues derived from the operation of the facility to be acquired, or from any other lawful source, provided that the City otherwise has the right to pledge the revenues involved. Authority for the issuance of certificates of obligation is subject to notice by publication and right of referendum by the voters.
- Contractual obligations, generally to finance personal property, and tax anticipation notes payable from ad valorem taxes; may be issued for capital improvements. The contractual obligations and tax anticipation notes may be refunded by ad valorem tax-supported bonds without an election. The issuance of contractual obligations and tax anticipation notes does not require publication of notice or voter approval. Tax anticipation notes are limited to seven years amortization or less.
- Revenue bonds may be issued for certain purposes which include the financing of the water, municipal drainage and wastewater systems, electric and gas systems, convention centers, airports and parking systems, and other economic development projects. The revenue bond indebtedness is not considered in determining the legal debt margin on ad valorem tax-supported obligations. Revenue bond indebtedness, in certain cases, can be refunded by ad valorem tax-supported bonds without an election.

In addition to additional voted tax debt and the debt described above, the City has the legal authority to issue the other debt obligations which could include sales tax bonds, limited tax notes, lease purchase agreements, tax anticipation notes, bond anticipation notes, certificates of participation, or traditional bank loans, all without an election.

PENSION FUND . . . The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System ("TMRS"), a State-wide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense. (For more detailed information concerning the retirement plan, see APPENDIX B, "Excerpts from the City's Annual Financial Report" - Note #K.)

OTHER POST-EMPLOYMENT BENEFITS . . . The only post employment benefit that the City offers to retirees is the option to continue utilizing the health insurance provided to City employees. To continue to receive coverage under the City's health insurance plan the retiree is required to pay the City at the same rate that other employees pay for dependent coverage, and/or the same amount that the City pays to cover individual employees. It is reasonable to conclude that the City is in essence subsidizing the cost of insurance for the retirees since older individuals would normally have higher health care costs but are paying for the coverage at a rate equal to all other City employees.

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FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
REVENUES:					
Program Revenues:					
Charges for Services	\$ 3,426,349	\$ 4,292,614	\$ 3,468,172	\$ 3,630,645	\$ 3,003,349
Operating Grants and Contributions	6,120,352	889,479	648,763	585,580	484,336
Capital Grants and Contributions	435,057	625,616	446,200	137,739	571,469
General Revenues:					
Property Taxes	13,107,912	12,127,801	12,002,082	11,615,301	11,264,052
Sales Taxes	10,583,318	10,063,222	9,356,472	8,929,546	8,682,523
Hotel Occupancy Taxes	381,039	349,728	365,473	444,151	351,911
Other Taxes	-	-	-	-	-
Franchise Fees	2,107,169	1,992,390	1,926,341	1,890,883	1,893,085
Investment Earnings	200,243	272,670	191,883	103,608	60,217
Intergovernmental	-	-	-	-	-
Gain (loss) on sale of assets	-	55,829	-	44,939	-
Rescindment of Revolving Loan Contingency	-	-	-	-	-
Revaluation of Compensated Absences	-	-	-	-	-
Miscellaneous	320,215	353,746	858,322	353,902	721,662
Total Revenues	<u>\$36,681,654</u>	<u>\$31,023,095</u>	<u>\$29,263,708</u>	<u>\$27,736,294</u>	<u>\$27,032,604</u>
EXPENSES:					
General Government	\$ 7,411,268	\$ 7,783,921	\$ 6,439,519	\$ 7,877,473	\$ 7,793,661
Public Safety	16,859,473	16,488,279	15,315,946	15,375,565	13,374,018
Emergency Medical Services	200,937	185,668	151,728	144,283	137,335
Culture and Recreation	2,282,570	2,319,476	2,367,348	2,197,967	2,195,306
Public Works	4,652,366	4,498,314	6,299,328	5,129,113	3,409,500
Development Services	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Sales Tax Rebates	-	-	-	-	-
Interest on Long-Term Debt	1,195,174	1,299,788	919,744	828,514	1,134,675
Total Expenditures	<u>\$32,601,788</u>	<u>\$32,575,446</u>	<u>\$31,493,613</u>	<u>\$31,552,915</u>	<u>\$28,044,495</u>
Increase in Net Assets Before Transfers	\$ 4,079,866	\$ (1,552,351)	\$ (2,229,905)	\$ (3,816,621)	\$ (1,011,891)
Transfers	2,181,304	2,440,561	2,051,045	3,236,311	1,047,104
Increase in Net Assets	\$ 6,261,170	\$ 888,210	\$ (178,860)	\$ (580,310)	\$ 35,213
Beginning Net Assets	26,282,194	21,150,019	27,985,075	27,973,344	28,254,589
Prior Period Adjustment	(381,039)	4,243,965	(6,656,196)	592,041	(316,458)
Ending Net Assets	<u>\$32,162,325</u>	<u>\$26,282,194</u>	<u>\$21,150,019</u>	<u>\$27,985,075</u>	<u>\$27,973,344</u>

Source. City's audited financial statements.

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TABLE 13 -A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2020	2019	2018	2017	2016
REVENUES					
Taxes	\$21,929,165	\$19,384,171	\$20,650,594	\$20,535,609	\$19,789,659
Licenses and Permits	653,513	693,682	719,740	664,177	493,175
Intergovernmental	6,120,352	1,390,095	873,763	585,580	484,336
Franchise Fees	-	1,992,390	-	-	-
Charges for Services	2,271,717	2,982,497	2,051,705	2,003,126	1,644,414
Fine and Forfeitures	356,116	503,972	696,728	752,327	698,250
Interest	162,416	222,974	151,590	75,012	37,225
Contributions	-	-	-	-	-
Miscellaneous	320,215	353,746	858,321	314,862	874,273
Sale of Assets	-	55,829	92,117	-	-
Total Revenues	<u>\$31,813,494</u>	<u>\$27,579,356</u>	<u>\$26,094,558</u>	<u>\$24,930,693</u>	<u>\$24,021,332</u>
EXPENDITURES					
Current Expenditures:					
General Government	\$6,430,299	\$5,940,142	\$6,049,070	\$6,395,390	\$3,393,516
Public Safety	17,260,498	15,084,023	14,937,706	13,600,308	12,164,792
Public Works	2,829,452	2,438,151	3,459,303	2,454,826	2,069,936
Health and Welfare	-	-	-	-	981,766
Culture and Recreation	1,459,934	1,259,204	1,490,434	1,454,613	1,337,716
Economic Development	591,644	590,635	576,780	581,915	-
Judicial & Legal	-	297,152	-	-	1,071,071
Nondepartmental	-	-	-	-	686,717
Capital Outlay	-	-	-	-	1,695,934
Debt Service	916,256	907,045	805,071	1,037,691	514,500
Total Expenditures	<u>\$29,488,083</u>	<u>\$26,516,352</u>	<u>\$27,318,364</u>	<u>\$25,524,743</u>	<u>\$23,915,948</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$2,325,411</u>	<u>\$1,063,004</u>	<u>\$(1,223,806)</u>	<u>\$(594,050)</u>	<u>\$105,384</u>
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	\$-	\$-	\$-	\$50,740	\$-
Issuance of Debt	-	-	4,043,974	-	-
Operating Transfers In	2,683,817	2,801,817	2,402,974	-	798,276.00
Operating Transfers Out	(2,315,086)	(2,444,269)	(3,329,170)	1,691,311	(1,257,435)
Economic Development	-	-	-	(1,699,768)	(589,640)
Total Other Financing Sources (Uses)	<u>\$368,731</u>	<u>\$357,548</u>	<u>\$3,117,778</u>	<u>\$42,283</u>	<u>\$(1,048,799)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$2,694,142</u>	<u>\$1,420,552</u>	<u>\$1,893,972</u>	<u>\$(551,767)</u>	<u>\$(943,415)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>\$10,844,328</u>	<u>\$9,423,776</u>	<u>\$7,529,804</u>	<u>\$8,081,571</u>	<u>\$9,024,986</u>
Prior Period Adjustment	<u>(1,493,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$12,044,821</u>	<u>\$10,844,328</u>	<u>\$9,423,776</u>	<u>\$7,529,804</u>	<u>\$8,081,571</u>

Source. City's audited financial statements.

TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. On May 5, 1990, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½% of 1%) for economic development. The sales tax for economic development is collected solely for the benefit of Weslaco Economic Development Corporation (the "Corporation"), and may be pledged to secure payment of sales tax revenue bonds issued by the Corporation.

Fiscal Year Ended	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
9/30				
2017	\$ 8,929,546	77.79%	\$ 0.5127	\$ 226.21
2018	9,356,472	79.21%	0.5159	237.03
2019	10,063,222	85.02%	0.5555	249.35
2020	10,402,522	80.09%	0.5516	252.67
2021	4,802,477 ⁽³⁾	34.68%	0.2384	106.04

- (1) Excludes half-cent sales tax for economic development.
 (2) Based on population estimates provided by City officials.
 (3) Collections through February 28, 2021.

The sales tax breakdown for the City is as follows:

Property Tax Relief	0.50¢
Weslaco Economic Development Corporation (4A)	0.50¢
City Sales and Use Tax	1.00¢
State Sales and Use Tax	6.25¢
Total	<u>8.25¢</u>

FINANCIAL POLICIES

Basis of Accounting . . . All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenues at that time. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified basis of accounting when the related fund liability is incurred. Exceptions to this general rule include debt service expenditures and expenditures related to compensated absences which are recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgetary Procedures . . . The City follows these procedures in establishing the budgetary data reflected in the financial statements: The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Commission by August 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through the passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between departments within any fund; any revisions that alter the total expenditures of any fund must be approved by the City Commission. Budgets for the General and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Commission. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in obligations meeting the requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (the "PFIA"), which may include: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, and are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1), require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and have either (a) a duration of one year or more and invest exclusively in obligations described under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and (15) for bond proceeds, guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

Under the City's current investment policy dated April 8, 2020, authorized investments for the City consist of those instruments numbered (1), (2), (4), (5), (9), (10), (13) and (14) in the preceding paragraph.

The City is also authorized to invest its funds through an eligible investment pool if the Board of the City by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. To be eligible to receive funds from and invest funds on behalf of the City, an investment pool must furnish to the investment officer or other authorized representative of the City an offering circular or other similar disclosure instrument that contains, at a minimum, the following information: (1) the types of investments in which money is allowed to be invested; (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool; (3) the maximum stated maturity date any investment security within the portfolio has; (4) the objectives of the pool; (5) the size of the pool; (6) the names of the members of the advisory board of the pool and the dates their

terms expire; (7) the custodian bank that will safekeep the pool's assets; (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation; (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment; (10) the name and address of the independent auditor of the pool; (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; (12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios; and (13) the pool's policy regarding holding deposits of cash.

Governmental bodies in the State are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (8) and (12) through (14) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested in a manner consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type; (2) preservation and safety of principal; (3) liquidity; (4) marketability of each investment; (5) diversification of the portfolio; and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City; (2) that all investment officers jointly prepared and signed the report; (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group; (4) the book value and market value of each separately listed asset at the end of the reporting period; (5) the maturity date of each separately invested asset; (6) the account or fund or pooled fund group for which each individual investment was acquired; and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. No person may invest City funds without express written authority from the City.

ADDITIONAL PROVISIONS . . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards or relates to investment transactions of the CITY that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load money market mutual funds in the aggregate to no more than 15% of the City's

monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of January 31, 2021, the City's investable funds were invested in the following categories:

Description	Book Value	Market Value	% of Portfolio
Investment Pools	\$6,687,551	\$6,687,551	100.00%
	<u>\$6,687,551</u>	<u>\$6,687,551</u>	<u>100.00%</u>

As of such date, 100% of the City's investment portfolio is available within one week. The market value of the investment portfolio was approximately 100% of its purchase price.

FEDERAL TAX MATTERS

TAX EXEMPTION . . . The delivery of the Certificates is subject to the opinion of Winstead PC, San Antonio, Texas, Bond Counsel, to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be an item of tax preference for purposes of the federal alternative minimum tax. A form of Bond Counsel's opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or how have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the City may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

TAX ACCOUNTING TREATMENT OF DISCOUNT CERTIFICATES. . . The initial public offering price of certain Certificates may be less than the amount payable on such Certificates at maturity (the "Discount Certificates"). An amount equal to the difference between the initial public offering price of a Discount Certificates (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificates. A portion of such original issue discount, allocable to the holding period of such Discount Certificates by the initial purchaser will, upon the disposition of such Discount Certificates (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Discount Certificates described above under "Tax Exemption". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificates, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificates and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences as described below. Moreover, in the event of the redemption, sale, or other taxable disposition of a Discount Certificates by the initial owner prior to maturity, the

amount realized by such owner in excess of the basis of such Discount Certificates in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificates was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination for federal income tax purposes of and with respect to the state and local tax consequences of owning and disposing of Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

TAX ACCOUNTING TREATMENT OF PREMIUM CERTIFICATES . . . The initial public offering price of certain Certificates may be greater than the amount payable on such Certificates at maturity (the “Premium Certificates”). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Certificates. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity.

Owners of the Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Certificates.

COLLATERAL TAX CONSEQUENCES SUMMARY. . . The following discussion is a summary of certain collateral federal income tax consequences resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Certificates. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit or the premium assistance credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE RECEIPT OR ACCRUAL OF INTEREST ON OR THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE CERTIFICATES.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the “dividend equivalent amount” for the taxable year. Interest on the Certificates received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the “dividend equivalent amount” of such corporation.

Under section 6012 of the Code, owners of tax-exempt obligations, such as the Certificates, may be required to disclose interest received or accrued during each taxable year on their returns with respect to federal income taxes.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Certificates, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” (defined below) to the extent such gain does not exceed the accrued market discount (defined below) of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the owner at a purchase price which is less than the state redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

LAW CHANGES. . . From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Certificates or otherwise prevent owners of the Certificates from realizing the full benefit of the tax exemption of interest on the Certificates. Further, such proposals may impact the marketability or market value of the Certificates simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded

in a particular manner, could adversely affect the market value, marketability, or tax status of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates would be impacted thereby.

STATE, LOCAL, AND FOREIGN TAXES. . . Investors should consult their own tax advisors concerning the tax implications resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Certificates under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains an “obligated person” with respect to the Certificates, within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12 (the “Rule”). Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the “MSRB”). The information provided to the MSRB will be available to the public free of charge via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City will file with EMMA annually certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and in Appendix B. The City will update and provide this information within six months after the end of each fiscal year ending in and after 2021.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the United States Securities and Exchange Commission (the “SEC”), as permitted by the Rule. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The City will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The City will provide notice of any of the following events with respect to the Certificates: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificate, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Certificate, if material; (8) Certificate calls, if material, and (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any financial obligation of the City, any of which reflect financial difficulties.

As used above in item (12), the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. Additionally, the City intends the words used in the preceding paragraphs (15) and (16) and the definition of “financial obligation” in these paragraphs to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. (Neither the Obligations nor the Ordinances make any provision for debt service reserves, liquidity enhancement or credit enhancement). In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge via EMMA.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although owners of Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized Bond Counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule..

OTHER INFORMATION

RATINGS

An application for a contract rating on the Certificates has been made to S&P Global Ratings ("S&P"). An explanation of the significance of any rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or it will not be revised downward or withdrawn entirely by of such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating, may have an adverse effect on the market price of the Certificates.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, requires that the Certificates be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. (See "OTHER INFORMATION - Ratings" herein.) In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with a capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds

of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE

The City will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Certificate and to the effect that the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Certificates will be excludable from gross income of the owners thereof for federal income tax purposes under existing statutes, publications, and rulings. Though they represent from time to time the Underwriters and the Financial Advisor in matters unrelated to the issuance of the Certificates, Winstead PC, San Antonio, Texas, in its capacity as Bond Counsel, represents only the City in connection with the issuance of the Certificates. In its capacity as Bond Counsel, Winstead PC, has reviewed the information under the captions "THE CERTIFICATES" (except for the subcaptions "Payment Record," "Use of Proceeds", and "Transfer, Exchange, and Registration," as to which no opinion is expressed), "FEDERAL TAX MATTERS", "OTHER INFORMATION - Registration and Qualification of Certificates for Sale," "Legal Investments and Eligibility to Secure Public Funds In Texas", and "CONTINUING DISCLOSURE OF INFORMATION" (except the subcaption "Compliance with Prior Undertakings" as to which no opinion is expressed) and the information in APPENDIX C in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Certificates, such information conforms to the Ordinance. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Certificates will also be furnished. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinion will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, The Perez Law Firm, McAllen, Texas. Issuer's Counsel is Juan Gonzalez, City Attorney.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Hilltop Securities Inc., in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at an underwriting discount of \$ _____. The Underwriter will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

AUTHORIZATION OF THE OFFICIAL STATEMENT

The Official Statement has been authorized and approved by the City Commission in the Ordinance, and the Underwriters will be furnished, upon request, at the time of payment for and the delivery of the Certificates, a certified copy of such approval, duly executed by the proper officials of the City. The Ordinance also approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto issued on behalf of the City, and authorized its further use in the reoffering of the Certificates by the Underwriters. This Official Statement has been approved by the City Commission of the City for distribution in accordance with the provisions of the Rule.

/s/
Mayor
City of Weslaco, Texas

ATTEST:

/s/
City Secretary
City of Weslaco, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

LOCATION AND POPULATION

The City of Weslaco (the "City") is located in the eastern edge of Hidalgo County between McAllen and Harlingen in the Lower Rio Grande Valley. The City is 260 miles south of San Antonio, 322 miles south of Austin, 330 miles southwest of Houston, 5 miles north of the Rio Grande, and 60 miles west of the Gulf of Mexico.

Population statistics for the City and Hidalgo County include:

	<u>City of Weslaco</u>	<u>Hidalgo County</u>
1970 Census	15,313	181,535
1980 Census	19,331	283,229
1990 Census	21,877	383,545
2000 Census	26,935	569,463
2010 Census	35,670	774,769

ECONOMY

The City is a commercial center to a variety of businesses and product types. For example, a manufacturer of bathroom vanities employs more than 500 persons. The economy is based on retail trade, healthcare, education, winter tourism, agriculture, and international trade. The Lower Rio Grande Valley Research and Experiment Center (the "Center") is located in the City. The Center is composed of the Texas A&M University Experiment and Extension Service and the Texas A&M University Kingsville Citrus Center - Weslaco.

ALL-AMERICA CITY 2002

The City was awarded the designation of All America City in 2002. Weslaco was one of ten cities throughout the United States to be given this prestigious designation. A delegation of "Weslacoans" presented the community to a jury panel and competed against 29 other cities selected as finalists. The awards were made on June 15, 2002 in Kansas City, Missouri.

The All-America City Award, a 53-year-old program of the National Civic League recognizing civic excellence, annually honors 10 communities that best exemplify the spirit of grassroots citizen involvement and cross-sector collaborative problem solving. Since the program began in 1949, more than 4,000 communities (neighborhoods, cities, towns, counties, and regions) have competed and approximately 500 have been named All-America Cities.

The following is a compilation of the City's top employers as of August 2020⁽¹⁾.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Weslaco ISD	Education	2,358
Knapp Medical Center	Hospital	900
HEB (2 Locations)	Retail - Grocery	450
Woodcrafters	Industrial	375
Wal-Mart	Retail	260
Payne Auto Group	Retail - Automobile Sal	250
City of Weslaco	Government	233
South Texas College	Education	214
Valley Grande Manor	Education	180
Texas A&M Ag.	Government	150
Home Depot	Retail	100

(1) Source: City of Weslaco.

HISTORICAL EMPLOYMENT DATA FOR CITY OF WESLACO⁽¹⁾

	<u>2021⁽²⁾</u>	<u>2020⁽³⁾</u>	<u>2019⁽³⁾</u>	<u>2018⁽³⁾</u>	<u>2017⁽³⁾</u>
Civilian Labor Force	16,662	16,412	16,196	16,003	15,559
Total Employed	14,803	14,468	15,120	14,847	14,307
Total Unemployed	1,859	1,944	1,076	1,156	1,252
Unemployment Rate	11.2%	11.8%	6.6%	7.2%	8.0%
% Unemployed (Texas)	7.5%	7.1%	3.5%	3.8%	4.3%
% Unemployed (U.S.)	6.6%	6.5%	3.7%	3.9%	4.4%

(1) Source: Texas Workforce Commission.

(2) As of February 2021.

(3) Average annual statistics.

TRANSPORTATION

The City has railroad service provided by Rio Valley Switching and Union-Pacific. Valley Transit, Trailways and Rio Metro Transit provide bus transportation. The City-owned Weslaco Mid-Valley Airport is a general aviation airport with a primary runway length of 5,000 feet with International Landing Rights. Commercial air service is located 17 miles west of Weslaco at the McAllen-Miller International Airport and 17 miles east of Weslaco at the Valley International Airport in Harlingen. Commercial service is provided by the following airlines: United, Delta and American. Motor freight lines include Nafta Motor Freight, Overnite Transportation, Central Freight, Motor Express, Roadway Express, ABF Freight and Yellow Freight Lines. U.S. Highways 77 and 281 provide north-south travel and U.S. Highways 281 and 83 provide east-west travel.

EDUCATION

Weslaco Independent School District (the "District") encompasses approximately 55.08 square miles including the City and a substantial portion of the City of Mercedes in Hidalgo County, Texas. The school facilities currently provided by the District include eleven elementary schools, four middle schools and three high schools.

Historical enrollment for the District is as follows:

<u>School Year</u>	<u>Enrollment</u>
2015-16	17,806
2016-17	17,413
2017-18	17,156
2018-19	16,311
2019-20	17,275

Source: Texas Education Agency and the District.

CONTINUING EDUCATION AND HIGHER EDUCATION

Opportunities for higher education as well as customized technical and industrial training are abundant in the Weslaco area, allowing the area to meet the demands for a well-trained pool of entry-level and upper-level professionals.

South Texas Vo-Tech offers specialized entry-level career training in business, medical, legal and child care services.

South Texas College, a Junior College District (Hidalgo and Starr Counties with a campus in Weslaco). South Texas College's Mid-Valley Campus (Weslaco, Texas) opened its doors in Fall 2000 to bring higher education opportunities closer to home for the citizens of the area. The 46.5 acre campus has several state-of-the art facilities, including two large academic buildings, a library, Student Success Center, Student Services Building, Workforce Center and event pavilion. The campus offers Bachelor Degrees and two-year Associate Degrees for continued studies in both the technical and industrial fields. The Fall 2020 enrollment was 30,180 students.

Texas State Technical College (Harlingen) offers two-year associate degrees and offers a vast selection of courses for continued study in both technical and industrial fields.

On June 14, 2013, The University of Texas Rio Grande Valley was established within The University of Texas System, which consolidated The University of Texas-Brownsville and The University of Texas-Pan American.

FINANCIAL INSTITUTIONS

The City is served by eight banks. Most are branch banks and local deposits are not available.

MEDICAL FACILITIES

Knapp Medical Center is a not-for-profit, acute care hospital in South Texas providing healthcare services to residents of the Rio Grande Valley since 1962. The medical center is located in the City and provides state-of-the-art technology, progressive diagnostic and treatment options, and patient-focused care. The medical center has 226 beds, approximately 200 physicians on the medical staff, that are all independent professional practitioners representing different specialties, and has a staff of 874 as of June 30, 2013.

The City also has 16 home health agencies, 3 nursing homes, 11 pharmacies and 9 dentists.

RECREATION AND CULTURE

The City has 2 golf courses, 2 swimming pools, 6 tennis courts and 6 parks. The City is served by 33 churches. Nine hotels and motels, with 642 rooms, and 8 retirement communities/RV parks are located in the City.

BUILDING PERMITS

Fiscal Year	Commercial Construction		Residential Construction		Total Value
	Number of Units	Value	Number of Units	Value	
2011	17	\$13,824,156	90	\$ 8,782,660	\$22,606,816
2012	13	4,077,088	120	11,016,370	15,093,458
2013	20	15,218,950	127	11,694,972	26,913,922
2014	13	12,942,544	126	9,835,739	22,778,283
2015	13	5,816,425	167	17,394,065	23,210,490
2016	19	19,217,020	170	17,163,500	36,380,520
2017	22	21,410,222	253	38,806,847	60,217,069
2018	21	20,421,166	181	28,150,485	48,571,651
2019	14	15,153,745	272	53,150,538	68,304,283

HIDALGO COUNTY

Information concerning Hidalgo County (the “County”) is included herein for information purposes only and the County is not obligated in any way to pay the Certificates. The County is located in the Rio Grande Valley of South Texas and is one of the fastest-growing counties in the United States. The County is the seventh most-populous county in Texas. Its 2010 census population was 774,769, a 35% increase from 2000. It is named for Miguel Hidalgo y Costilla, the priest who raised the call for Mexico's independence from Spain. The seat of the County is Edinburg, while the largest city is McAllen.

The McAllen–Edinburg–Mission Metropolitan Statistical Area is located within the County. It is bordered by Cameron County on the east, Brooks County on the north, Starr County on the west, and Mexico on the south. The County is located opposite of the Mexican city of Reynosa, across the Rio Grande River.

The County comprises of 1,596 square miles of the Rio Grande River delta. The northern part of the County has sandy and light loamy soils over deep reddish or mottled, clayey subsoils. In some areas, limestone lies within forty inches of the surface. The southern part of the County has moderately deep to deep loamy surfaces over clayey subsoils. The County is in the South Texas Plains vegetation area, which features grasses, mesquite, live oaks, and chaparral. Native plants, reduced in recent years by extensive farming, include chapote, guayacan, ebony, huisache, Brazilwood, and yucca.

HISTORICAL EMPLOYMENT DATA FOR HIDALGO COUNTY⁽¹⁾

	<u>2021⁽²⁾</u>	<u>2020⁽³⁾</u>	<u>2019⁽³⁾</u>	<u>2018⁽³⁾</u>	<u>2017⁽³⁾</u>
Civilian Labor Force	365,291	358,574	352,815	347,594	342,969
Total Employed	321,332	316,535	330,817	324,843	317,398
Total Unemployed	43,959	42,039	21,998	22,751	25,571
Unemployment Rate	12.0%	11.7%	6.2%	6.5%	7.5%
% Unemployed (Texas)	7.5%	7.1%	3.5%	3.8%	4.3%
% Unemployed (U.S.)	6.6%	6.5%	3.7%	3.9%	4.4%

(1) Source: Texas Workforce Commission.

(2) As of February 2021.

(3) Average annual statistics.

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APPENDIX B

EXCERPTS FROM THE
CITY OF WESLACO, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2020

The information contained in this Appendix consists of excerpts from the City of Weslaco, Texas Annual Financial Report for the Year Ended September 30, 2020, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Commission
City of Weslaco, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weslaco, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Weslaco, Texas' basic financial statements as listed in the table of contents. We did not audit the financial statements of the Weslaco Economic Development Corporation, which is the only aggregate discretely presented component unit and represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Weslaco Economic Development Corporation, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weslaco Economic Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Weslaco, Texas as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The previously issued financial statements have been restated to account for the correction of a misstatement related to the prior period. As further discussed in Note 2, the City's financial statements were restated and the effect of the adjustment was a decrease to beginning fund balance. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 15 through 23 and 92 through 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Weslaco, Texas' basic financial statements. The introductory section, other supplementary information, supplemental statements and schedules, bonded debt requirements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The other supplementary information, supplemental statements and schedules, bonded debt requirements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, supplemental statements and schedules, bonded debt requirements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **March 2, 2021** on our consideration of the City of Weslaco, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Weslaco, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Weslaco, Texas' internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Harlingen, Texas

March 2, 2021

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City of Weslaco, Texas

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Weslaco, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Weslaco for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-6 of this report.

FINANCIAL HIGHLIGHTS

The City's total net position increased \$975,405 as a result of this year's operations. Net position from governmental activities increased \$888,210, while net position from business-type activities increased \$87,195. This reflects a 1.4% increase to total net position.

- **Governmental Activities – Revenues and Expenses Compared to Last Year** – Total revenues increased about \$1.8M from last year, with sales tax showing a moderate increase of \$706,750 or 7.6%. Property tax revenues increased by \$125,719 and franchise tax revenues increased by \$67,150. Expenses increased \$1,081,833 from last year.
- **Business-Type Activities – Revenues and Expenses Compared to Last Year** – Total revenues saw a slight increase of \$29,145 from last year. Charges for all services increased by \$113,772. Expenses increased about 1.8% or \$186,784 in water and wastewater services. Solid waste expenses saw an increase of about 2.6% or \$115,176 due to an increase of fees assessed by the company that provides collection of brush services. Expenses from airport services also increased by \$109,454, or 11.8%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. The government-wide financial statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the City, and the statements are presented on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Activities of the City as a whole include governmental activities, and business-type activities. Governmental activities are those activities which are financed primarily through taxes and grants.

City of Weslaco, Texas

Management's Discussion and Analysis

Most of the City's basic services are reported as governmental activities. Business-type activities are those activities that are intended to recover all or a significant portion of their costs through user fees and charges. Utility system operations are a common example of business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Weslaco Economic Development Corporation (EDC), which is a legally separate entity, and reported as a discretely presented component unit. The City Commission appoints the EDC board members and sets expenditure caps over which the City of Weslaco Commissioners' approval is required. Financial information for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25-27 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the 2019 Bond Construction Fund, which are the only reported major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Hotel Occupancy Tax Fund, Capital Improvement Program Fund, and Fire Department Equipment Replacement Fund. In addition, the City also adopts an annual appropriated budget for its Water and Wastewater, Solid Waste, and Airport Proprietary Funds and the Equipment Replacement Internal Service Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget in the required supplementary information of this report. All other budgetary comparison schedules have been provided for in the other supplementary information of this report.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

City of Weslaco, Texas

Management's Discussion and Analysis

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Wastewater Fund, for its Solid Waste Fund and for its Airport Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities section of the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund, the Solid Waste Fund, and the Airport Fund, all of which are considered to be major enterprise funds of the City of Weslaco.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Weslaco's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City recognizes two fiduciary funds: the Firemen's Relief and Retirement Fund, which is a pension trust fund, and the Marion Booth Endowment Fund, which is a private purpose trust fund.

The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 39 of this report.

In fiscal year 2019, the City adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board. These newly adopted accounting standards, and other recently issued accounting pronouncements, can be found in Note 1.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$72,355,675 at the close of the most recent fiscal year.

On September 30, 2019, the City had an outstanding bonds balance of \$73,530,000, excluding \$1,155,000 in the component unit. The City has unspent bond proceeds on its recently issued 2018 and 2019 bonds to be used for its drainage projects and purchase of equipment for the maintenance of its drainage ditches.

City of Weslaco, Texas Management's Discussion and Analysis

At the end of the current fiscal year, the City of Weslaco reported negative balance of unrestricted net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table 1, below illustrates a comparative summary of the City's statement of net position at September 30, 2019 and 2018.

Table 1
City of Weslaco, Texas- Net Position
Primary Government

	Governmental Activities		Business-type Activities		Total	Total
	2020	2019	2020	2019	2020	2019
Current assets	\$ 33,551,128	\$ 33,235,738	\$ 4,485,122	\$ 5,063,485	\$ 38,036,250	\$ 38,299,223
Capital assets, net	53,904,990	51,643,691	100,224,704	101,101,950	154,129,694	152,745,641
Total assets	87,456,118	84,879,429	104,709,826	106,165,435	192,165,944	191,044,864
Deferred outflows of resources- deferred charge	178,082	203,831	1,778,044	1,955,361	1,956,126	2,159,192
Deferred outflows of resources- pensions	1,424,613	3,223,576	100,318	256,750	1,524,931	3,480,326
Deferred outflows of resources- OPEB	398,245	296,155	13,185	4,308	411,430	300,463
Total deferred outflows of resources	2,000,940	3,723,562	1,891,547	2,216,419	3,892,487	5,939,981
Total assets and deferred outflows of resources	\$ 89,457,058	\$ 88,602,991	\$ 106,601,373	\$ 108,381,854	\$ 196,058,431	\$ 196,984,845
Current liabilities	\$ 4,244,423	\$ 4,220,309	\$ 1,816,646	\$ 1,813,214	\$ 6,061,069	\$ 6,033,523
Non-current liabilities						
Due within one year	3,344,683	3,147,132	3,575,236	3,247,473	6,919,919	6,394,605
Due in more than one year	34,264,513	37,735,125	53,803,190	56,095,389	88,067,703	93,830,514
Municipal net pension liability	6,341,943	8,791,058	839,320	1,052,286	7,181,263	9,843,344
Firemen's net pension liability	4,806,025	4,806,025	-	-	4,806,025	4,806,025
OPEB liability- TMRS Supplemental death	800,860	639,791	71,293	57,287	872,153	697,078
OPEB liability- reitree health care	2,454,914	2,454,914	-	-	2,454,914	2,454,914
Total liabilities	56,257,361	61,794,354	60,105,685	62,265,649	116,363,046	124,060,003
Deferred inflows of resources- pensions	1,490,163	409,146	132,018	38,017	1,622,181	447,163
Deferred inflows of resources- OPEB	117,303	117,297	4,707	4,707	122,010	122,004
Total deferred inflows of resources	1,607,466	526,443	136,725	42,724	1,744,191	569,167
Net position						
Net investment in capital assets	35,538,688	32,298,614	47,636,213	47,630,121	83,174,901	79,928,735
Restricted	1,411,010	1,134,772	1,012,923	1,010,581	2,423,933	2,145,353
Unrestricted	(5,357,467)	(7,151,192)	(2,290,173)	(2,567,221)	(7,647,640)	(9,718,413)
Total net position	31,592,231	26,282,194	46,358,963	46,073,481	77,951,194	72,355,675
Total liabilities, deferred inflows of resources and net position	\$ 89,457,058	\$ 88,602,991	\$ 106,601,373	\$ 108,381,854	\$ 196,058,431	\$ 196,984,845

Governmental Activities

The property tax levy increased by \$70,495 (0.6%) from the prior year due mostly to increases in valuation or new improvements added to the rolls. The tax rate remained the same at \$0.6667 per \$100 for the 2018 tax year levy. This has been due to a concerted effort on the part of the City Commission to maintain or reduce the tax rate, while continuing to provide the same level of services. It is believed that this approach to making the City more attractive to business provides the stimulus to invest in further improvements that result in increased values.

Total sales taxes of the City amounted to \$13,417,629 for the year which is an increase of \$942,333 or 7.6% over the last fiscal year. Of the total amount collected, 25% goes to the Weslaco Economic Development Corporation. The remainder stays in the General Fund where it makes up about 32.4% of General Fund revenues, in support of governmental functions, such as public safety, library services and recreation.

City of Weslaco, Texas Management's Discussion and Analysis

Operating grants for governmental activities amounted to \$889,479 in the General Fund, mostly for public safety purposes. It is the practice of the City of Weslaco to seek opportunities for grants whenever possible to improve City services and quality of life in our community.

Table 2, below presents the cost of each of the City's programs, as well as the revenues generated to support those programs. The difference between the two is the change in net position.

	Primary Government				Total 2020	Total 2019	Percent 2020
	Governmental Activities		Business-type Activities				
	2020	2019	2020	2019			
Program Revenues:							
Charges for services	\$ 3,426,349	\$ 4,292,614	\$ 18,544,020	\$ 17,721,267	\$ 21,970,369	\$ 22,013,881	39.07%
Operating grants and contributions	6,120,352	889,479	-	-	6,120,352	889,479	10.88%
Capital grants and contributions	435,057	625,616	1,381,244	911,329	1,816,301	1,536,945	3.23%
General Revenues:							
Property taxes	13,107,912	12,127,801	-	-	13,107,912	12,127,801	23.31%
Non-property taxes	12,690,487	12,405,340	-	-	12,690,487	12,405,340	22.57%
Unrestricted investment earnings	200,243	272,670	5,880	13,124	206,123	285,794	0.37%
Other income	320,215	409,575	-	-	320,215	409,575	0.57%
Total revenue	36,300,615	31,023,095	19,931,144	18,645,720	56,231,759	49,668,815	100.00%
Expenses							
General government	7,411,268	7,758,658	-	-	7,411,268	7,758,658	14.64%
Public safety	17,429,567	16,513,542	-	-	17,429,567	16,513,542	34.42%
Emergency medical services	200,937	185,668	-	-	200,937	185,668	0.40%
Public works	4,652,366	4,498,314	-	-	4,652,366	4,498,314	9.19%
Culture and recreation	2,282,570	2,319,476	-	-	2,282,570	2,319,476	4.51%
Interest on long term debt	1,195,174	1,299,788	-	-	1,195,174	1,299,788	2.36%
Water and sewer services	-	-	11,700,765	10,599,018	11,700,765	10,599,018	23.11%
Solid waste services	-	-	4,590,974	4,483,587	4,590,974	4,483,587	9.07%
Airport	-	-	1,172,619	1,035,359	1,172,619	1,035,359	2.32%
Total expenses	33,171,882	32,575,446	17,464,358	16,117,964	50,636,240	48,693,410	100.00%
Increase in net position before Transfers and special items	3,128,733	(1,552,351)	2,466,786	2,527,756	5,595,519	975,405	
Transfers	2,181,304	2,440,561	(2,181,304)	(2,440,561)	-	-	
Change in net position	5,310,037	888,210	285,482	87,195	5,595,519	975,405	
Net position- beginning	26,282,194	25,393,984	46,073,481	45,986,286	72,355,675	71,380,270	
Net postion- ending	\$ 31,592,231	\$ 26,282,194	\$ 46,358,963	\$ 46,073,481	\$ 77,951,194	\$ 72,355,675	

City of Weslaco, Texas

Management's Discussion and Analysis

Business-Type Activities

Business-type activities continue to account for about 63.7% of the City of Weslaco's net position. Water and sewer rates remained the same as prior years. There was also no change in solid waste collection fees.

The net position of the Water and Wastewater Fund increased by \$807,122 from current year operations which was down from the prior year change in net position by \$834,464. This was the result of prior year settlement proceeds received and recorded in revenue that were not present in the current year. Operating revenues decreased by (\$20,424) and operating expenses increased by \$30,023. Transfers to other funds also increased by \$675,630 to make the current payments on long-term debt.

The net position of the Solid Waste Fund decreased (\$485,842) due to continued transfers to the capital improvement fund. Operating revenues increased by \$27,717 and operating expenses increased by \$115,176. Transfers to other funds (to the Capital Improvements Program Fund) remained consistent with prior year.

The net position of the Airport Fund decreased by (\$234,085), due mostly to an increase in other services and charges. The Airport Fund receives revenues from fuel sales, hangar rentals, and grants. Any shortfalls are subsidized by the General Fund. Short of grant and subsidies from the General Fund, the Airport would have experienced an operating loss of (\$713,450). Improvements continue to have minimal effect at the Airport, yet the City will continue striving with a new business plan.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Weslaco uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the end of the current fiscal year, the City of Weslaco's governmental funds reported combined ending fund balances of \$28,492,263. Approximately 28% of this total amount, or \$7,965,191 constitutes unassigned fund balance, which is available for spending at the government's discretion. This represents 23.5% of operating expenditures. The remainder of fund balance is non-spendable, restricted, or assigned to indicate that it is not available for new spending because it has already been assigned for a specific purpose or restricted for debt or future capital projects.

The General Fund is the chief operating fund of the City of Weslaco. At the end of the current fiscal year, the general fund's unassigned fund balance was \$7,965,191 which increased by \$1,611,875 from the prior unassigned fund balance of \$6,353,316 which was mainly attributed to increases in nonproperty taxes and fees and charges experienced in the current year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of the total General Fund expenditures, while total fund balance represents 40.9% of that same amount. While it is recommended that the General Fund should have an unassigned fund balance of no less than 5% to 15% of operating expenditures, the City has placed the target unassigned fund balance in the General Fund at 25%.

The City Commission kept the tax rate the same at \$0.6667 for the 2018 tax year levy. In addition, sales tax revenues increased by 7.6% from prior year.

City of Weslaco, Texas

Management's Discussion and Analysis

The debt service fund has a total fund balance of \$382,103, all of which is restricted for the repayment of debt service. The scheduled tax supported debt service payments for fiscal year 2019 was \$2,834,277, including interest paid of \$743,205.

Proprietary Funds

The City of Weslaco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to (\$3,297,467), which was a decrease of (\$860,862) from last year. Operating revenues decreased by (\$20,424) and operating expenses increased by \$30,023. The end result was operating income decreased by \$50,447 compared to last year.

The unrestricted net position of the Solid Waste Fund amounted to \$1,402,176 at the end of the year, a decrease of \$475,463 from the prior year. Operating revenue saw a small increase of \$27,717 from last year, while operating expenses increased by \$115,176. It should be noted that the decrease in net position of \$485,842 was affected by transfers of \$1,125,000 to other funds.

The unrestricted net position for the Airport Fund amounted to \$(671,930). The runway expansion project has been completed yet experience a short interruption towards the latter part of the year and we are back to normal operations of the Airport. The Airport has now commence in the construction of additional hangers to accommodate demands.

General Fund Budgetary Highlights

The original budgeted revenue of \$25,406,664 represented a 4% increase over the previous year's budgeted amount. The 2019 budget was amended to recognize additional projected revenue, for a final revenue budget of \$26,503,280. Taxes represent about 78% of total General Fund budgeted revenue.

The original adopted General Fund expenditures were \$25,629,125. However, circumstances arose which required the expenditure of additional funds that were not foreseen prior to the commencement of the fiscal year. Each year the City performs a mid-year review of the budget. If it is determined that funds are available, certain amendments are proposed to the City Commission for their review and approval. These amendments increased the General Fund's appropriations by \$1,991,783, to \$27,180,908 of expenditures. The increase was attributed mostly to Capital Outlay and overtime. The City retrofitted Traffic lights and installation of a new system in the Police department, this cost was offset by a grant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Weslaco's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$152,745,641 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads and highways, and construction in progress. The total decrease in the City of Weslaco's investment in capital assets for the current fiscal year was 1.0%

City of Weslaco, Texas Management's Discussion and Analysis

Table 3
City of Weslaco- Capital Assets
Primary Government

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land,	\$ 6,227,175	\$ 4,900,165	\$ 3,952,884	\$ 2,551,870	\$ 10,180,059	\$ 7,452,035
Infrastructure	7,629,307	7,629,307	-	-	7,629,307	7,629,307
Buildings	20,411,626	18,494,359	1,679,646	1,679,646	22,091,272	20,174,005
Equipment	15,168,595	13,558,222	8,199,721	7,926,322	23,368,316	21,484,544
Improvements	45,667,355	45,448,801	129,540,911	80,930,572	175,208,266	126,379,373
Capital leases	6,911,937	6,911,937	7,474,943	6,934,391	14,386,880	13,846,328
Construction in progress	3,213,163	2,401,877	550,534	47,850,254	3,763,697	50,252,131
Totals at historical cost	105,229,158	99,344,668	151,398,639	147,873,055	256,627,797	247,217,723
Accumulated depreciation	(51,324,168)	(47,700,977)	(51,173,935)	(46,771,105)	(102,498,103)	(94,472,082)
Total capital assets, net	\$ 53,904,990	\$ 51,643,691	\$ 100,224,704	\$ 101,101,950	\$ 154,129,694	\$ 152,745,641

Additional information on the City of Weslaco's capital assets can be found in Note 5 on page 57 of this report.

Long-Term Debt

At year end of the current fiscal year, the City of Weslaco had total bonded debt outstanding of \$73,530,000, excluding \$1,155,000 in the component unit. Total bonded debt is comprised of debt backed by the full faith and credit of the government.

The City of Weslaco maintains an "AA-" rating from Standard and Poor's, which is the City's highest rating to date. Moody's rates the City at an "A2" for general obligation debt.

Additional information on the City of Weslaco's long-term debt can be found in Note 6 on page 59 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The employment rate for the City of Weslaco increased by 1.1% to 93.8% from 92.7% a year ago. This rate compares to the state's average employment rate of 96.7%.

City of Weslaco, Texas Management's Discussion and Analysis

The City Commission increased the property tax rate by three cents to \$0.6967 per \$100 for the 2020 tax year, or fiscal year ending September 30, 2020. This tax rate represents the issuance of a new Bond, yet a concerted effort on the part of the City Commission and staff to continue to evaluate the tax rate each year and determine if a decrease is warranted. For the 2019-2020 tax year, there was no decrease due to the intention to continue transferring any excess revenues over expenditures to the Capital Improvements Program fund, as part of the City's five-year plan to self-fund improvement projects. The 2019-2020 adopted budget is a fiscally responsible balanced budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Weslaco's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 255 S Kansas Avenue, Weslaco, Texas 78596.

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FINANCIAL STATEMENTS

City of Weslaco, Texas

Statement of Net Position

September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 14,405,676	\$ 460,389	\$ 14,866,065	\$ 6,376,134
Cash and cash equivalents- restricted	413,775	1,666,452	2,080,227	-
Investments	6,124,870	-	6,124,870	-
Investments, restricted	-	562,681	562,681	-
Receivables, net	7,900,547	3,240,923	11,141,470	12,152
Due from primary government	-	-	-	283,274
Land Escrow	-	-	-	31,473
Internal balances	1,757,422	(1,757,422)	-	-
Notes receivables	-	-	-	3,223,281
Prepaid bond insurance costs	55,477	18,996	74,473	-
Assets held for sale	2,874,000	-	2,874,000	-
Other prepaid items	10,306	-	10,306	-
Inventories	9,055	293,103	302,158	-
Capital assets not being depreciated	17,069,645	4,503,418	21,573,063	16,500
Capital assets, net of depreciation	36,835,345	95,721,286	132,556,631	4,934,221
Total assets	87,456,118	104,709,826	192,165,944	14,877,035
Deferred Outflows of Resources				
Deferred charge on refunding	178,082	1,778,044	1,956,126	-
Deferred outflows related to pensions	1,424,613	100,318	1,524,931	-
Deferred outflows related to OPEB	529,533	13,185	542,718	-
Total Deferred Outflows of Resources	2,132,228	1,891,547	4,023,775	-
Total Assets and Deferred Outflows of Resources	\$ 89,588,346	\$ 106,601,373	\$ 196,189,719	\$ 14,877,035
Liabilities				
Accounts payable	\$ 1,765,939	\$ 1,377,850	\$ 3,143,789	\$ 119,110
Due to component unit	283,274	-	283,274	-
Accrued expenses	1,886,431	438,796	2,325,227	3,727
Unearned revenue	308,779	-	308,779	-
Non-current liabilities:				
Due within one year	3,344,683	3,575,236	6,919,919	280,000
Due in more than one year				
Other liabilities due in more than one year	34,264,513	53,803,190	88,067,703	600,000
Municipal net pension liability	6,341,943	839,320	7,181,263	-
Firemen's net pension liability	4,806,025	-	4,806,025	-
OPEB liability- TMRS SDB	800,860	71,293	872,153	-
OPEB liability- retiree health care	2,021,161	-	2,021,161	-
Total Liabilities	55,823,608	60,105,685	115,929,293	1,002,837
Deferred Inflows of Resources				
Deferred inflows related to pensions	1,490,163	132,018	1,622,181	-
Deferred inflows related to OPEB	112,250	4,707	116,957	-
Total Deferred Inflows of Resources	1,602,413	136,725	1,739,138	-
Net Position				
Net investment in capital assets	35,538,688	47,636,213	83,174,901	4,950,721
Restricted for:				
Debt service	526,173	999,333	1,525,506	320,000
Special revenue funds	884,837	-	884,837	-
Capital projects	-	13,590	13,590	-
Unrestricted	(4,787,373)	(2,290,173)	(7,077,546)	8,603,477
Total Net Position	32,162,325	46,358,963	78,521,288	13,874,198
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 89,588,346	\$ 106,601,373	\$ 196,189,719	\$ 14,877,035

City of Weslaco, Texas

Statement of Activities

For the Fiscal Year Ended September 30, 2020

			Program Revenues	
Functions/programs	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 7,411,268	\$ 1,384,500	\$ -	\$ -
Public safety	16,859,473	633,021	6,120,352	329,532
Emergency medical services	200,937	1,390,260	-	-
Public works	4,652,366	-	-	105,525
Culture and recreation	2,282,570	18,568	-	-
Interest on long-term debt	1,195,174	-	-	-
Total governmental activities	32,601,788	3,426,349	6,120,352	435,057
Business-type activities:				
Water and Wastewater services	11,700,765	12,865,310	-	1,163,622
Solid waste services	4,590,974	5,375,985	-	-
Airport	1,172,619	302,725	-	217,622
Total business-type activities	17,464,358	18,544,020	-	1,381,244
Total primary government	\$ 50,066,146	\$ 21,970,369	\$ 6,120,352	\$ 1,816,301
Component Unit:				
General government and administration	\$ 229,832	\$ -	\$ -	\$ -
Property management	653,575	234,234	-	-
Promotion and development	209,324	-	17,085	-
Development services	1,145,169	-	-	-
Interest on long-term debt	28,568	-	-	-
Total componen unit	\$ 2,266,468	\$ 234,234	\$ 17,085	\$ -

General Revenues:

Taxes:

Ad valorem

Sales

Occupancy

Franchise and other

Investment earnings

Gain (loss) on sale/retirement
of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

The notes to the financial statements are an integral part of this statement

Net (Expenses) Revenue And Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (6,026,768)	\$ -	\$ (6,026,768)	\$ -
(9,776,568)	-	(9,776,568)	-
1,189,323	-	1,189,323	-
(4,546,841)	-	(4,546,841)	-
(2,264,002)	-	(2,264,002)	-
(1,195,174)	-	(1,195,174)	-
(22,620,030)	-	(22,620,030)	-
-	2,328,167	2,328,167	-
-	785,011	785,011	-
-	(652,272)	(652,272)	-
-	2,460,906	2,460,906	-
(22,620,030)	2,460,906	(20,159,124)	-
\$ -	\$ -	\$ -	\$ (229,832)
-	-	-	(419,341)
-	-	-	(192,239)
-	-	-	(1,145,169)
-	-	-	(28,568)
			(2,015,149)
13,107,912	-	13,107,912	-
10,402,522	-	10,402,522	3,467,507
381,039	-	381,039	-
1,906,926	-	1,906,926	-
200,243	5,880	206,123	104,750
-	-	-	200,000
320,215	-	320,215	355,931
2,181,304	(2,181,304)	-	-
28,500,161	(2,175,424)	26,324,737	4,128,188
5,880,131	285,482	6,165,613	2,113,039
26,282,194	46,073,481	72,355,675	11,761,159
\$ 32,162,325	\$ 46,358,963	\$ 78,521,288	\$ 13,874,198

City of Weslaco, Texas
Governmental Funds
Balance Sheet

September 30, 2020

	General Fund	2019 Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,213,862	\$ 8,399,895	\$ 4,791,919	\$ 14,405,676
Cash and cash equivalents- restricted	413,775	-	-	413,775
Investments	4,665,642	472,409	986,819	6,124,870
Receivables (net of allowance for uncollectibles):				
Ad valorem taxes	738,406	-	287,032	1,025,438
Sales taxes	1,133,096	-	-	1,133,096
Ambulance fees	1,525,330	-	-	1,525,330
Other	3,989,829	-	226,854	4,216,683
Due from other funds	2,021,913	-	82,739	2,104,652
Assets held for sale	2,874,000	-	-	2,874,000
Prepaid items	10,306	-	-	10,306
Inventories	9,055	-	-	9,055
Total Assets	\$ 18,595,214	\$ 8,872,304	\$ 6,375,363	\$ 33,842,881
Liabilities				
Accounts payable	\$ 1,937,882	\$ 16,250	\$ 95,081	\$ 2,049,213
Accrued salaries and payroll taxes	727,918	-	-	727,918
Other liabilities	617,265	-	-	617,265
Due to other funds	86,529	-	10,432	96,961
Payable from restricted assets	413,775	-	-	413,775
Unearned revenue	308,779	-	-	308,779
Total Liabilities	4,092,148	16,250	105,513	4,213,911
Deferred Inflows of Resources				
Unavailable revenue- ad valorem taxes	603,382	-	236,639	840,021
Unavailable revenue- grants	329,532	-	-	329,532
Unavailable revenue- EMS fees	1,525,330	-	-	1,525,330
Total Deferred Inflows of Resources	2,458,244	-	236,639	2,694,883
Fund Balances				
Nonspendable	19,361	-	-	19,361
Restricted	-	8,856,054	4,577,778	13,433,832
Assigned	2,874,000	-	1,455,433	4,329,433
Unassigned	9,151,461	-	-	9,151,461
Total Fund Balances	12,044,822	8,856,054	6,033,211	26,934,087
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,595,214	\$ 8,872,304	\$ 6,375,363	\$ 33,842,881

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas

**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position**

September 30, 2020

	Governmental Activities
Total fund balance-governmental funds	\$ 26,934,087
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,694,883
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental fund balance sheet. This is the amount of governmental assets \$100,160,636 net of accumulated depreciation totaling \$(46,266,178). Not included in this amount are internal service fund assets of \$10,532.	53,894,458
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet.	(127,473)
Bond insurance is the only bond issuance cost allowed after implementation of GASB Statement No 65. This is the unamortized cost of bond insurance cost paid by the City on prior bond issuances	55,477
Deferred outflows of resources related to amounts deferred on refundings of long-term debt are not reported in the governmental funds.	178,082
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of certain internal service funds are included in the governmental activities statement of net position.	(239,737)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	(37,609,196)
Included in the noncurrent assets/(liabilities) is the recognition of the City's net pension (liability) required by GASB Statement No 68 in the amount of (\$6,341,943), a deferred resource outflows in the amount of \$831,830, and a deferred resource inflow in the amount of (\$1,272,748). This resulted in a (decrease) in net position.	(6,782,861)
Included in the noncurrent (liabilities) is the recognition of the City Firemen's net pension (liability) required by GASB 68 in the amount of (\$4,806,025), a deferred resource outflows in the amount of \$592,783 and a deferred resource inflow in the amount of (\$217,415). This resulted in a (decrease) in net position.	(4,430,657)
Included in the noncurrent (liabilities) is the recognition of the City's total OPEB liability required by GASB 75 in the amount of (\$2,822,021), a deferred resource outflow in the amount of \$529,533, and a deferred resource inflow in the amount of (\$112,250). This resulted in a (decrease) in net position.	(2,404,738)
Net position of governmental activities	\$ 32,162,325

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Fiscal Year Ended September 30, 2020

	General Fund	2019 Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 9,619,717	\$ -	\$ 3,484,198	\$ 13,103,915
Nonproperty taxes	12,309,448	-	381,039	12,690,487
Fees and charges	2,271,717	-	113,322	2,385,039
Fines and forfeitures	356,116	-	-	356,116
Licenses and permits	653,513	-	-	653,513
Intergovernmental	6,120,352	-	105,525	6,225,877
Investment income	162,416	-	37,827	200,243
Miscellaneous	320,215	-	-	320,215
Total Revenues	31,813,494	-	4,121,911	35,935,405
Expenditures				
General government	6,430,299	-	295,087	6,725,386
Public safety	17,260,498	-	1,794,183	19,054,681
Public works	2,829,452	1,143,946	1,570,445	5,543,843
Culture and recreation	1,459,934	-	566,930	2,026,864
Economic development	591,644	-	-	591,644
Debt service:				
Principal	879,965	-	2,839,244	3,719,209
Interest and fees	36,291	-	1,117,579	1,153,870
Total Expenditures	29,488,083	1,143,946	8,183,468	38,815,497
Excess (deficiency) of revenues over expenditures	2,325,411	(1,143,946)	(4,061,557)	(2,880,092)
Other financing sources (uses):				
Issuance of debt	-	-	440,000	440,000
Sale of capital assets	-	-	194,261	194,261
Transfers in	2,683,817	-	1,812,573	4,496,390
Transfers out	(2,315,086)	-	-	(2,315,086)
Total other financing sources (uses)	368,731	-	2,446,834	2,815,565
Net change in fund balances	2,694,142	(1,143,946)	(1,614,723)	(64,527)
Fund balances at beginning of year	10,844,329	10,000,000	7,647,934	28,492,263
Prior period adjustment	(1,493,649)	-	-	(1,493,649)
Fund balances at beginning of year, adjusted	9,350,680	10,000,000	7,647,934	26,998,614
Fund balances at end of year	\$ 12,044,822	\$ 8,856,054	\$ 6,033,211	\$ 26,934,087

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**

For the Fiscal Year Ended September 30, 2020

	Governmental Activities
Net change in fund balances-total governmental funds	\$ (64,527)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$3,546,007) exceeded capital outlay \$6,122,591 in the current period. Not included in this amount is depreciation in the internal service fund of (\$103,366).	2,576,584
In the statement of activities, only the gain (loss) on the sale of assets is reported, whereas in the funds, the proceeds from the sale increase financial resources.	(211,919)
The change in compensated absences and accrued interest on long-term debt of \$244,372 and (\$468) are reported as a increase to expenditures in the statement of activities but not in the governmental funds.	(244,840)
Issuance of debt related to notes payable are recorded as other financing sources in the governmental funds while they are recorded as long term debt in the statement of net position.	(440,000)
Bond premiums, discounts, insurance, and deferred charges are recognized in the funds in the year the bonds are sold, but they are recorded as an asset, deferred resource outflow or liability and amortized over the life of the bonds in the statement of activities.	203,536
Some revenues, such as property taxes, EMS fees, and grants will not be collected for several months after the City's fiscal year end, therefore, they are not considered "available" revenues in the governmental funds.	365,210
Repayment of bond, capital lease and note payable principal, and liabilities under chapter 380 agreements are reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,719,209
Internal Service funds are used by management to charge the costs of certain activities. The net revenue (loss) of the internal service funds is reported with governmental activities.	(103,366)
GASB Statement No 68 requires that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2019 caused the change in ending net position to increase in the amount of \$683,818. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$611,527). The City's reported TMRS net pension expense had to be recorded. The net pension expense (decreased) the change in net position by (\$503,156). The result of these changes is to (decrease) the change in net position.	(430,865)
Firemen pension contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position.	-
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/19 caused the change in the ending net position to increase in the amount of \$14,447. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$12,230). The City's reported TMRS OPEB expense had to be recorded. The net OPEB expense (decreased) the change in net position by (\$61,202). In addition to this the City's reported Firemen Retiree Health Care OPEB expense had to be recorded. The net OPEB expense increased the change in net position by \$570,094. The result of these changes is to (decrease) the change in net position.	511,109
Change in net position of governmental activities	\$ 5,880,131

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Proprietary Funds
Statement of Net Position

September 30, 2020

	Business-Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Totals	Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	\$ 432,813	\$ -	\$ 27,576	\$ 460,389	\$ -
Cash and cash equivalents- restricted	1,652,862	-	13,590	1,666,452	-
Investments- restricted	562,681	-	-	562,681	-
Receivables, net of allowances for uncollectibles	2,285,042	820,550	135,331	3,240,923	-
Due from other funds	-	2,000,000	-	2,000,000	-
Inventories	254,530	-	38,573	293,103	-
Prepaid items	18,996	-	-	18,996	-
Total current assets	5,206,924	2,820,550	215,070	8,242,544	-
Non-current assets					
Land	665,175	421,247	2,866,462	3,952,884	-
Buildings	362,324	668,781	648,541	1,679,646	-
Equipment	5,824,096	1,734,678	640,947	8,199,721	4,997,658
Improvements	-	-	-	-	70,864
Infrastructure	115,771,542	64,461	13,704,908	129,540,911	-
Capital leases	6,934,391	540,552	-	7,474,943	-
Construction-in-progress	453,476	-	97,058	550,534	-
Total non-current assets	130,011,004	3,429,719	17,957,916	151,398,639	5,068,522
Accumulated depreciation	(43,169,530)	(2,353,018)	(5,651,387)	(51,173,935)	(5,057,990)
Total non-current assets, net	86,841,474	1,076,701	12,306,529	100,224,704	10,532
Total assets	92,048,398	3,897,251	12,521,599	108,467,248	10,532
Deferred outflows of resources					
Deferred outflows related to pensions	83,503	2,158	14,657	100,318	-
Deferred outflows related to OPEB	9,980	470	2,735	13,185	-
Deferred charge on refunding	1,778,044	-	-	1,778,044	-
Total deferred outflows of resources	1,871,527	2,628	17,392	1,891,547	-
Total assets and deferred outflows of resources	\$ 93,919,925	\$ 3,899,879	\$ 12,538,991	\$ 110,358,795	\$ 10,532

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Proprietary Funds
Statement of Net Position- Continued

Liabilities

Current Liabilities:

Accounts payable	\$ 947,439	\$ 391,694	\$ 38,717	\$ 1,377,850	\$ -
Accrued salaries and other liabilities	153,415	-	32,768	186,183	-
Due to other funds	2,259,258	890,709	607,455	3,757,422	250,269
Current portion of long term debt	3,407,201	110,581	57,454	3,575,236	-
Accrued interest on bonds	252,613	-	-	252,613	-

Total current liabilities	7,019,926	1,392,984	736,394	9,149,304	250,269
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Noncurrent liabilities:

Compensated absences	78,807	18,725	33,203	130,735	-
Customer deposits	1,274,450	-	3,594	1,278,044	-
Revenue bonds payable, net of unamortized premiums	44,464,654	-	-	44,464,654	-
Capital lease payable	5,698,351	461,985	-	6,160,336	-
Note payable	-	-	1,397,045	1,397,045	-
Landfill closure	-	372,376	-	372,376	-
Net pension liability	709,455	16,629	113,236	839,320	-
OPEB liability	54,505	2,399	14,389	71,293	-

Total noncurrent liabilities	52,280,222	872,114	1,561,467	54,713,803	-
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Total liabilities	59,300,148	2,265,098	2,297,861	63,863,107	250,269
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Deferred inflows of resources

Deferred inflows related to pensions	105,853	3,551	22,614	132,018	-
Deferred inflows related to OPEB	3,530	177	1,000	4,707	-

Total deferred inflows of resources	109,383	3,728	23,614	136,725	-
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Net Position

Net investment in capital assets	36,274,278	506,216	10,855,719	47,636,213	10,532
Restricted for:					
Revenue bond retirement	999,333	-	-	999,333	-
Construction	-	-	13,590	13,590	-
Unrestricted	(2,763,217)	1,124,837	(651,793)	(2,290,173)	(250,269)

Total net position	34,510,394	1,631,053	10,217,516	46,358,963	(239,737)
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Total liabilities, deferred inflows of resources, and net position	\$ 93,919,925	\$ 3,899,879	\$ 12,538,991	\$ 110,358,795	\$ 10,532
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City of Weslaco, Texas
Proprietary Funds
Statement of Revenues, Expenses and
Changes in Net Position

For the Fiscal Year Ended September 30, 2020

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Operating Revenues:					
Water services	\$ 7,483,073	\$ -	\$ -	\$ 7,483,073	\$ -
Sewer services	5,318,493	-	-	5,318,493	-
Charges for services	-	5,375,985	302,600	5,678,585	-
Miscellaneous	63,744	-	125	63,869	-
Total operating revenues	12,865,310	5,375,985	302,725	18,544,020	-
Operating Expenses:					
Personal services	845,022	106,773	270,744	1,222,539	-
Other services and charges	2,035,775	186,927	212,734	2,435,436	-
Supplies	209,394	8,032	232,826	450,252	-
Contractual services	3,037,989	4,256,525	-	7,294,514	-
Depreciation	3,939,191	32,717	430,922	4,402,830	103,366
Total operating expenses	10,067,371	4,590,974	1,147,226	15,805,571	103,366
Operating income (loss)	2,797,939	785,011	(844,501)	2,738,449	(103,366)
Non-operating revenues (expenses)					
Investment income	5,880	-	-	5,880	-
Interest expense	(1,633,394)	-	(25,393)	(1,658,787)	-
Total non-operating (expenses)	(1,627,514)	-	(25,393)	(1,652,907)	-
Income (loss) before transfers and capital contributions	1,170,425	785,011	(869,894)	1,085,542	(103,366)
Transfers in (out) and capital contributions					
Capital Improvement fees	696,141	-	-	696,141	-
Capital grants	467,481	-	217,622	685,103	-
Transfers in	5,429,883	-	250,000	5,679,883	-
Transfers out	(6,736,187)	(1,125,000)	-	(7,861,187)	-
Total transfers and capital contributions	(142,682)	(1,125,000)	467,622	(800,060)	-
Change in net position	1,027,743	(339,989)	(402,272)	285,482	(103,366)
Net position- beginning	33,482,651	1,971,042	10,619,788	46,073,481	(136,371)
Net position- ending	\$ 34,510,394	\$ 1,631,053	\$ 10,217,516	\$ 46,358,963	\$ (239,737)

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Proprietary Funds
Statement of Cash Flows

For the Fiscal Year Ended September 30, 2020

	Business Type Activities				Governmental Activities
	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Total	Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 12,662,443	\$ 5,231,011	\$ 266,593	\$ 18,160,047	\$ -
Payments to suppliers	(5,075,884)	(4,023,828)	(424,101)	(9,523,813)	-
Payments to employees	(614,132)	(96,728)	(248,732)	(959,592)	-
Net cash provided by (used in) operating activities	6,972,427	1,110,455	(406,240)	7,676,642	-
Cash flows from noncapital financing activities					
Transfers from other funds	5,429,883	-	250,000	5,679,883	-
Transfers to other funds	(6,736,187)	(1,125,000)	-	(7,861,187)	-
Net cash provided by (used in) noncapital financing activities	(1,306,304)	(1,125,000)	250,000	(2,181,304)	-
Cash flows from capital and related financing activities					
Purchase of capital assets	(1,521,318)	(540,552)	(1,439,014)	(3,500,884)	-
Interest paid on bonds	(2,456,712)	-	-	(2,456,712)	-
Interest paid on notes payable	-	-	(25,393)	(25,393)	-
Capital lease proceeds	-	570,485	-	570,485	-
Notes payable proceeds	-	-	1,450,810	1,450,810	-
Retirement of bonds	(2,811,750)	-	-	(2,811,750)	-
Landfill closure costs	-	(15,388)	-	(15,388)	-
Capital grants	-	-	196,809	196,809	-
Capital improvement fees	696,141	-	-	696,141	-
Net cash provided used in capital and related financing activities	(6,093,639)	14,545	183,212	(5,895,882)	-
Cash flow from investing activities:					
Interest on cash and investments	5,880	-	-	5,880	-
Purchase of capital assets	226,974	-	-	226,974	-
Net cash provided by investing activities	232,854	-	-	232,854	-
Net (decrease) in cash and cash equivalents	(194,662)	-	26,972	(167,690)	-
Cash and cash equivalents, beginning of year	2,280,337	-	14,194	2,294,531	-
Cash and cash equivalents, end of year	\$ 2,085,675	\$ -	\$ 41,166	\$ 2,126,841	\$ -
Reconciliation of operating income (loss) to net cash provided by used in operating activities					
Operating income (loss)	\$ 2,797,939	\$ 785,011	\$ (844,501)	\$ 2,738,449	\$ (103,366)
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Depreciation	3,939,191	32,717	430,922	4,402,830	103,366
(Increase) decrease in accounts receivables	(295,126)	(144,974)	(36,132)	(476,232)	-
(Increase) decrease in inventories	(93,630)	-	(7,219)	(100,849)	-
(Increase) decrease in prepaid items	18,940	-	-	18,940	-
(Increase) decrease in deferred outflows	287,983	5,533	31,356	324,872	-
Decrease (increase) in accounts payable	22,706	1,646	(33,427)	(9,075)	-
Decrease (increase) in accrued salaries and other liabilities	21,064	-	6,111	27,175	-
Decrease (increase) in due to other funds	259,258	420,477	62,105	741,840	-
Decrease (increase) in customer deposits	92,259	-	-	92,259	-
Decrease (increase) in compensated absences	562	13,981	6,849	21,392	-
Decrease (increase) in net pension liability	(159,725)	(7,986)	(45,255)	(212,966)	-
Decrease (increase) in OPEB liability	10,505	525	2,976	14,006	-
Decrease (increase) in deferred inflows	70,501	3,525	19,975	94,001	-
Total adjustments	4,174,488	325,444	438,261	4,938,193	103,366
Net cash provided (used) by operations	\$ 6,972,427	\$ 1,110,455	\$ (406,240)	\$ 7,676,642	\$ -
<i>Supplemental disclosure of noncash activities</i>					
Contributed capital assets from Urban County	\$ 467,481	\$ -	\$ -	\$ 467,481	\$ -

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Fiduciary Funds
Statement of Fiduciary Net Position

September 30, 2020

	Pension Trust fund Firemen's Relief and Retirement	Private-purpose Trust fund Marion Booth Endowment Fund
Assets		
Cash	\$ 7,573	\$ 16,711
Investments, at fair value:		
Certificates of deposit	-	494,114
Equities	9,405,149	-
Mutual funds	117,985	-
Corporate bonds	782,304	-
Money market mutual funds	737,809	-
Municipal bonds	1,781,537	-
Total Assets	\$ 12,832,357	\$ 510,825
Liabilities		
Accounts payable	\$ -	\$ 501
Total Liabilities	-	501
Net Position		
Net position restricted for pensions and other purposes	12,832,357	510,324
Total Net Position	12,832,357	510,324
Total Liabilities and Net Position	\$ 12,832,357	\$ 510,825

The notes to the financial statements are an integral part of this statement

City of Weslaco, Texas
Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended September 30, 2020

	Pension Trust fund	Private-purpose Trust fund
	Firemen's Relief and Retirement	Marion Booth Endowment Fund
Additions		
Contributions		
Employer contributions	\$ 599,436	\$ -
Plan member contributions	599,436	-
Total contributions	1,198,872	-
Investment income		
Net appreciation in fair value of investments	87,988	-
Interest and dividends	310,148	10,228
Total investment income	398,136	10,228
Less investment expense	(66,104)	-
Net investment income	332,032	10,228
Total additions	1,530,904	10,228
Deductions		
Benefits paid	595,725	-
Refunds of contributions	-	-
Administrative expenses	32,661	2,519
Total deductions	628,386	2,519
Net change in fiduciary net position	902,518	7,709
Net position, beginning of year	11,929,839	502,615
Net position, end of year	\$ 12,832,357	\$ 510,324

The notes to the financial statements are an integral part of this statement

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NOTES TO FINANCIAL STATEMENTS

City of Weslaco, Texas

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Weslaco, Texas (the “City”) was incorporated September 18, 1919, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, solid waste, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing commission (the “Commission”). The accompanying financial statements present the City and its component unit, the entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Discretely Presented Component Unit

The Economic Development Corporation of Weslaco (the “EDC”) was merged and incorporated under the provisions of the Development Corporation Act of 1979, as amended, for the purpose of promoting economic development within the City. The EDC has separate corporate powers that distinguish it as being a legally separate entity from the City. The City has the ability to impose its will, and has a financial benefit and financial accountability over the EDC. The EDC is governed by seven members who are appointed by and serve at the pleasure of the Mayor. A copy of the EDC’s financial statements can be obtained by contacting the Weslaco Economic Development Corporation at 275 S. Kansas, Weslaco, Texas 78596.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

City of Weslaco, Texas Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The proprietary, pension trust fund, and private-purpose trust funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While the Development Corporation of Weslaco is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's wastewater and sanitation services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *2019 Bond Construction fund* is used to account for bond proceeds used to fund for acquisition and construction of capital activities related to City drainage projects.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

The *Water and Wastewater Fund* is used to account for the provision of water and wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and wastewater system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

The *Solid Waste Fund* is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to solid waste customers.

The *Airport Fund* accounts for the provision of airport facilities to area residents. All activities necessary to provide such services are accounted for in this fund. The fund is financed primarily by the City of Weslaco operating grants, hangar rentals and tie-down fees.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Internal Service Fund which is used to account for the capital acquisitions and leasing services provided to departments of the City.

The *pension trust funds* account for the activities of the Weslaco Firemen's Relief and Retirement Fund, which accumulate resources for pension benefit payments to qualified public safety employees.

The *private-purpose trust fund* accounts for contributions made on behalf of outside parties.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Hotel/Motel Tax- Special Revenue, Debt Service Fund, Capital Improvement Program, and Fire Department Equipment Replacement- Capital Project Funds. Other capital projects funds are appropriated on a project-length basis. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year. In addition, the Water and Wastewater, Solid Waste, and Airport Proprietary Funds also employ formal budgetary integration as a management control device during the year. Budgets for these funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget or are canceled pursuant to state regulations.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Excess of expenditures over appropriations

At September 30, 2020, expenditures exceeded appropriations in eight departments in the General Fund. These amounts were attributed to underestimation of actual expenditures and unforeseen cost in overtime, supplies, utilities, and maintenance of city vehicles. Revenue was available to cover the excess this year. The departments and the excess expenditures over appropriations are as follows:

City Manager	\$ 4,665
Finance	25,739
Human resources	28,509
Law	41,202
Fire Department	723,611
Emergency Management Department	900,962
Drain Ditch Department	231,308
Other Economic Development	6,859
Debt Service- principal retirement	214,875

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash of all funds, including restricted cash is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

Negative balances incurred in pooled cash at year-end are treated as inter-fund receivables of the General Fund and inter-fund payables of the deficit fund.

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the TexPool public fund investment pool (Pool). The pool meets all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Other investments are carried at fair value as defined in GASB Statement No 72 "*Fair Value Measurement and Application*". Consistent with GASB Statement No 72, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the City's Firemen's Relief and Retirement Fund Investments a detail of the fair value hierarchy of investments held by the City are disclosed in Note 3 to the financial statements.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables

Unbilled receivables – An amount for unbilled revenue is recorded in the Water and Wastewater Fund and Solid Waste Fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Unearned revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when on fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds are netted as part of the reconciliation to the government-wide presentation.

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and capital activities– Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or future capital activities.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reflected at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over one year of useful life. Infrastructure assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 years
Water and Wastewater System	30 - 50 years
Infrastructure	20 - 35 years
Machinery and Equipment	5 - 10 years
Improvements	20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*, each reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and OPEB are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension liability or OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions and OPEB* are an aggregate of items related to pensions and other post-employment benefits as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 30 days except vacation leave accrued prior to December 1990, which shall be refunded in full.

Non-civil service employees who were hired before October 1, 2008 and who have completed ten years of employment are entitled to be paid up to 30 days of accumulated sick leave, 60 days for those employees with 11 to 20 years and 90 days for 21 years or more and any accumulated vacation up to 30 days, upon termination. Employees who were hired after October 1, 2008 shall be refunded in full one hundred and twenty (120) hours upon separation of employment, from accumulated vacation leave.

Civil service employees hired are entitled to be paid any accumulated vacation, but must complete five years of employment with the City to be entitled to be paid up to 90 days of accumulated sick leave upon termination. Sick leave in excess of maximum limits is not paid upon termination, but will be paid only upon illness while employed by the City.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Texas Municipal Retirement System (TMRS) Supplemental Death Benefit and the Firefighter Retiree Healthcare benefit has been determined using the flow of economic resources measurement focus and full accrual basis of accounting.

This includes for purposes of measuring the total OPEB liability, deferred outflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the applicable OPEB's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Information regarding the City's total OPEB liability related to the TMRS Supplemental Death Benefit is obtained from TMRS through a report prepared by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Information regarding the City's total OPEB liability related to the Firefighter Retiree Healthcare is obtained from a report prepared by the City's consulting actuary, Retirement Horizons, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied. The City reported deficit net position in the Internal Service Fund in the amount of (\$136,371).

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing commission has by resolution authorized the City Manager to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1 or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater Fund, Solid Waste Fund, Airport Fund and internal service funds are charges to customers for sales and services. The Water and Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Weslaco, Texas

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 12, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In fiscal year 2020, the City implemented GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement extended the effective dates of certain accounting and financial reporting provisions in statements that were first effective for reporting periods beginning after June 15, 2018.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

City of Weslaco, Texas
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

The City is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: PRIOR PERIOD ADJUSTMENT

Prior year accounts receivable and allowance for doubtful accounts related to Emergency Medical Services (EMS) were adjusted to defer fund level revenue in accordance with the current financial resources measurement focus. The prior year has been restated to account for the prior period adjustment for these changes. The effect of the adjustment was a decrease to beginning General Fund balance in the amount of \$1,493,649.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS

It is the City's policy, as well as a requirement in its depository agreement, for deposits plus accrued interest thereon to be 102% secured by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at September 30, 2020. At year-end, the respective bank balance totaled \$17,060,031. Of the total bank balance, \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC). The remainder was covered by collateral with a value of \$28,000,000. The collateral was held at third party banks (safekeeping banks) in the City's name under a joint safekeeping agreement between various banks and the City.

Investments

State statutes, city bond ordinances, city resolutions, and an investment policy adopted by the City Commission authorize the City's investments. The City is authorized to invest in obligations of the United States of America, its agencies and instrumentalities, direct obligations of the State of Texas and agencies thereof, obligations of the states (agencies thereof, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating equivalent), certificates of deposit of state and national banks domiciled in Texas, fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged with a third party, joint pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by law, and commercial paper with a 270 day limit and an A1P1 rating by two rating agencies.

Investment with investment maturities, including accrued interest, as of September 30, 2020 are as follows:

	Investment Maturities (in years)		Greater than 1 year
	Value	1 or less	
Primary Government			
TexPool	\$ 6,687,551	\$ 6,687,551	\$ -

A reconciliation of cash and investments follows:

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and cash equivalents	\$ 14,405,676	\$ 460,389	14,866,065	\$ 6,376,134
Restricted cash	413,775	1,666,452	2,080,227	-
Total cash and cash equivalents	14,819,451	2,126,841	16,946,292	6,376,134
Investments:				
TexPool	6,124,870	-	6,124,870	-
TexPool - Restricted	-	562,681	562,681	-
Total investments	6,124,870	562,681	6,687,551	-
Total cash and investments	\$ 20,944,321	\$ 2,689,522	\$ 23,633,843	\$ 6,376,134

See Note 6 for components of cash and investment restrictions.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment.

Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations. The investment policy states that the dollar weighted average maturity of 12 months or less will be calculated using the stated final maturity date of each security.

Credit Risk

As of September 30, 2020, the investments in TexPool investment pools were rated AAAM by Standard and Poor's.

The City's investment policy limits authorized investments to certain Texas government investments pools, obligations of or guaranteed by the U. S. and State of Texas and their agencies thereof, certificates of deposit of Texas banks and fully collateralized repurchase agreements.

Public Funds Investment Pools

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safekeep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

The City reports its local government investment pools at amortized cost as permitted by Section 150: *Investments* of the GASB Codification. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Firemen's Relief and Retirement Fund Investments

The Firemen's Relief and Retirement Fund Investments are recorded at fair value as of September 30, 2020. The composition of these investments is as follows:

	Fair Value
Equities	\$ 9,405,149
Mutual funds	117,985
Fixed income	
Money market mutual funds	737,809
Municipal bonds	1,781,537
Corporate bonds	782,304
Total fixed income	3,301,650
Total investments	\$ 12,824,784

The Firemen's fund has adopted the provisions of GASB Statement 72 and fully disclosed in the notes to the financial statements the fair value hierarchy and the methods of valuing the related investments as required under generally accepted accounting principles. A summary of the hierarchy is as follows:

Level 1 inputs are quoted prices in active markets for identical assets	\$ 10,922,183
Level 2 inputs are significant other observable inputs	1,902,601
Total investments	\$ 12,824,784

Debt and equity securities, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Because of the complexity of the portfolio, the Firemen's Board of Trustees relies on its consultant to provide the necessary guidance to accomplish the Plan's objective. The Board also understands that return objectives can be achieved while assuming market volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name. All investment securities are held in the Plan's name.

Concentration of Credit Risk

The allocation of assets among various asset classes is set by the Board with the objective of optimizing the investment return of the Plan within a framework of acceptable risk and diversification. For major asset classes (e.g., domestic equities, international equities, fixed income, alternative investments, private equity and real estate, and specialty), the investment policy establishes a minimum and maximum percentage allocation for each classification of investments.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Firemen's Relief and Retirement Fund Investments - Continued

Interest Rate Risk

The Plan invests in fixed income securities including, but not limited to, investments representing instruments with an obligated fixed rate of interest. Instruments may have an investment grade or noninvestment grade rating. Purchases and sales, investment selection and implementation of investment strategies are delegated to the discretion of the investment manager, subject to compliance with its management agreement and the Plan's Investment Policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Interest rate risk is the greatest risk faced by an investor in the fixed income market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates, but rather mandates such limits within the Investment Management Services Contract.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan does not have a formal policy limiting investment credit risk, but rather mandates such limits within the Investment Management Services Contract.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Realized and unrealized gains and losses on investments which result from changes in foreign currency exchange rates have been included in the net appreciation (depreciation) in fair value of investments.

NOTE 4: RECEIVABLES

Receivables at September 30, 2020, consist of the following:

	Primary Government									
	Governmental				Business-type				Total Primary Government	Component Unit
	General Fund	Other Governmental Funds	Total	Water and Wastewater	Solid Waste	Airport Fund	Total			
Ad valorem taxes	\$ 1,205,217	\$ 438,531	\$ 1,643,748	\$ -	\$ -	\$ -	\$ -	\$ 1,643,748	\$ -	
Sales taxes	1,133,096	-	1,133,096	-	-	-	-	1,133,096	283,274	
Customer charges	136,208	-	136,208	3,850,743	1,507,809	135,331	5,493,883	5,630,091	-	
Hotel/Motel taxes	-	193,106	193,106	-	-	-	-	193,106	-	
Ambulance fees	8,111,437	-	8,111,437	-	-	-	-	8,111,437	-	
Grants receivable	3,451,731	-	3,451,731	-	-	-	-	3,451,731	-	
Other	484,443	33,748	518,191	-	-	-	-	518,191	12,152	
Gross receivables	14,522,132	665,385	15,187,517	3,850,743	1,507,809	135,331	5,493,883	20,681,400	295,426	
Less allowance for uncollectibles	(7,135,471)	(151,499)	(7,286,970)	(1,565,701)	(687,259)	-	(2,252,960)	(9,539,930)	-	
Net total receivables	\$ 7,386,661	\$ 513,886	\$ 7,900,547	\$ 2,285,042	\$ 820,550	\$ 135,331	\$ 3,240,923	\$ 11,141,470	\$ 295,426	

City of Weslaco, Texas

Notes to Financial Statements

NOTE 4: RECEIVABLES (Continued)

Property tax revenues are recognized when they become available in the fund statements. Available includes those property tax receivables expected to be collected within sixty days after year end.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied as of October 1. The county appraisal district certifies the tax roll by July 25th. This tax roll is used by the City to adopt a tax rate by September 1st or soon thereafter. The tax bills are mailed on October 1 or soon thereafter and are due and payable upon receipt. The billings become delinquent as of February 1 of the following calendar year and penalties and interest may be assessed by the City.

As an inducement to expand their business operations to the City's Industrial Park, the Economic Development Corporation of Weslaco, accepted notes from various businesses. These notes are for cash loans, and sale of industrial park lots. The loans carry various credit incentives up to the amounts of the loans and sometimes beyond the initial loans. The credits vary by individual entities. The credits involve construction of buildings, leasing of existing properties at the industrial park, employing local residents and the purchase of goods and services from merchants in the local area. All notes receivable carry incentives to the extent of the note receivable balance.

The following is a summary of notes receivable payable to the EDC at September 30, 2020:

Loan to CIL Properties	\$ 85,469
Loan to CIL Hangars, LLC	155,853
Loan to Valley Striping	94,593
Loan to Trinity Development	40,224
Promissory note from LRGVDC (Building Sale)	1,195,364
Promissory note from SDI Weslaco Holdings, Inc.	200,968
Promissory note from City of Weslaco	1,450,810
<u>Total notes receivable</u>	<u>\$ 3,223,281</u>

Total note receivable from SDI Weslaco Holdings, LLC (SDI) was \$2,213,255 at 8% interest rate. This note is secured by a Chapter 380 Economic Development Agreement between the City of Weslaco, Texas and SDI. SDI has assigned the annual payments due from the City to the Economic Development Corporation, of Weslaco, Texas until the note is paid in full. The note is payable in annual payments, until March 1, 2030. The 380 Agreement was to facilitate the construction of infrastructure improvements for a commercial development. The EDC spurred the development by advancing \$2,213,255 of the \$3,300,000 project. In the current year, the City of Weslaco paid \$224,451 under the 380 Agreement.

Notes with Economic Incentives

The economic incentive portion of the notes receivable balances have been recognized as expenditures in current year operations, as well as the long-term note receivable advance. As the entities earn their incentives, the note balances will be reduced accordingly, with an equal offset to unavailable revenue. That is to control compliance with the agreements. The long-term note receivable principal payments are recognized as revenues, with equal off-set to unavailable revenue. Note balances had equal unavailable revenue at September 30, 2019.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 is as follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 4,900,165	\$ 1,521,271	\$ -	\$ (194,261)	\$ 6,227,175
380 Agreements Infrastructure	7,629,307	-	-	-	7,629,307
Construction-in-progress	2,401,877	2,746,907	(1,935,621)	-	3,213,163
Total capital assets, not being depreciated	14,931,349	4,268,178	(1,935,621)	(194,261)	17,069,645
Capital assets being depreciated					
Buildings	18,494,359	-	1,917,267	-	20,411,626
Equipment	13,558,222	1,654,213	-	(43,840)	15,168,595
Improvements	45,448,801	200,200	18,354	-	45,667,355
Capital Leases	6,911,937	-	-	-	6,911,937
	84,413,319	1,854,413	1,935,621	(43,840)	88,159,513
Less accumulated depreciation for:					
Buildings	8,303,110	462,359	-	-	8,765,469
Equipment	9,543,853	1,131,300	-	(26,182)	10,648,971
Improvements	26,849,526	1,496,515	-	-	28,346,041
Capital Leases	3,004,488	559,199	-	-	3,563,687
Total accumulated depreciation	47,700,977	3,649,373	-	(26,182)	51,324,168
Total capital assets being depreciated, net	36,712,342	(1,794,960)	1,935,621	(17,658)	36,835,345
Governmental activities, capital assets, net	\$ 51,643,691	\$ 2,473,218	\$ -	\$ (211,919)	\$ 53,904,990

Depreciation expense was charged as a direct expense to governmental functions of the primary government as follows:

Governmental activities	
General government	\$ 704,321
Public safety	676,129
Emergency medical services	184,284
Public works	1,548,538
Culture and recreation	536,101
	<u>\$ 3,649,373</u>

City of Weslaco, Texas
Notes to Financial Statements

NOTE 5: CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Transfers/ Reclassification	Retirements	Ending Balance
Business-type Activities:					
Capital assets not being depreciated					
Land	\$ 2,551,870	\$ 1,401,014	\$ -	\$ -	\$ 3,952,884
Construction in progress	47,850,254	556,310	(47,856,030)	-	550,534
Total capital assets not being depreciated	50,402,124	1,957,324	(47,856,030)	-	4,503,418
Capital assets being depreciated					
Buildings	1,679,646	-	-	-	1,679,646
Equipment	7,926,322	273,399	-	-	8,199,721
Improvements	80,930,572	754,309	47,856,030	-	129,540,911
Capital leases	6,934,391	540,552	-	-	7,474,943
Total capital assets being depreciated	97,470,931	1,568,260	47,856,030	-	146,895,221
Less accumulated depreciation for:					
Building	1,370,405	20,359	-	-	1,390,764
Equipment	6,910,849	651,335	-	-	7,562,184
Improvements	38,489,851	3,731,136	-	-	42,220,987
Total accumulated depreciation	46,771,105	4,402,830	-	-	51,173,935
Total capital assets being depreciated, net	50,699,826	(2,834,570)	47,856,030	-	95,721,286
Business-type activities capital assets, net	\$ 101,101,950	\$ (877,246)	\$ -	\$ -	\$ 100,224,704

Depreciation expense was charged as direct expense to business-type functions of the primary government as follows:

Business-type activities:	
Water and wastewater	\$ 3,939,191
Solid waste	32,717
Airport	430,922
Total depreciation expense- Business-type activities	\$ 4,402,830

	Beginning Balance	Additions	Transfers/ Reclassification	Retirements	Ending Balance
Component Unit:					
Capital assets not being depreciated					
Construction in progress	\$ -	\$ 16,500	\$ -	\$ -	\$ 16,500
Total capital assets not being depreciated	-	16,500	-	-	16,500
Capital assets being depreciated					
Buildings	5,469,816	-	-	-	5,469,816
Machinery and equipment	137,528	42,140	-	-	179,668
Total capital assets being depreciated	5,607,344	42,140	-	-	5,649,484
Less accumulated depreciation	607,225	108,038	-	-	715,263
Total capital assets being depreciated, net	5,000,119	(65,898)	-	-	4,934,221
Component Unit capital assets, net	\$ 5,000,119	\$ (49,398)	\$ -	\$ -	\$ 4,950,721

Depreciation of \$65,898 was charged to general government functions.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT

Business-Type Activities Bonded Debt

Business-type activities bonded debt as of September 30, 2019 is as follows:

\$24,335,000 Tax and Revenue Certificate of Obligation, Series 2012, dated January 15, 2012, due in annual installments varying from \$1,345,000 to \$2,305,000 through February 15, 2032, bearing interest rates of 4.00% - 5.00%.	\$1,200,000
\$9,075,000 Tax and Revenue Certificate of Obligation, Series 2014, dated March 1, 2014, due in annual installments varying from \$75,000 to \$1,355,000 through February 15, 2034, bearing interest rates of 4.50%.	8,920,000
\$15,750,000 Limited Tax Refunding Bonds, Series 2016, dated June 7, 2016, due in annual installments varying from \$290,000 to \$2,285,000 through August 15, 2032, bearing interest rates of 4.00%-5.00%.	13,850,000
\$19,545,000 Limited Tax Refunding Bonds, Series 2017, dated August 16, 2017, due in annual installments varying from \$500,000 to \$2,285,000 through February 15, 2027, bearing interest rates of 4.00%-5.00%.	19,045,000
Total Business-Type Activities Bonded Debt	\$43,015,000

Business-Type Activities Capital Leases

Business-type activities capital lease debt as of September 30, 2019 is as follows:

\$434,278 Kansas State Bank lease agreement dated January 18, 2019. The terms of the capital lease include annual payments of \$70,552 beginning March 2019. The lease was used to fund purchase of equipment.	\$ 336,553
\$7,446,877 Frost Municipal lease agreement dated December 1, 2017. The terms of the capital lease include annual payments of \$606,289 beginning January 2019. The lease was used to fund building lighting, HVAC upgrades, and replacing traffic light signals. A portion of this lease and annual payments are recorded in the City's Governmental Activities.	5,785,243
\$570,485 Government Capital Corporation lease agreement dated June 16, 2020. The terms of the capital lease include 5 annual payments of \$122,848 beginning July 2, 2021. The lease was used to fund the purchase of a vehicle, tractor, and grapple truck.	570,485
Total Business-Type Activities Capital Lease Debt	\$ 6,692,281

Business-type Activities Note Payable

Business-type activities Note Payable from direct borrowing as of September 30, 2020 is as follows:

A note dated November 20, 2019 and payable to the Economic Development Corporation of Weslaco for \$1,450,810. Interest on the note is payable on June 20 and December 20 of each year commencing on June 20, 2020 and annual principal payments of \$53,765 beginning December 20, 2020, continuing annually thereafter until December 20, 2024. The interest rate is a fixed 3.00%. The note is secured by a vendor's lien and superior title.	\$ 1,450,810
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City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Governmental Activities Bonded Debt

Governmental activities bonded debt as of September 30, 2020 is as follows:

\$3,940,000 Certificates of Obligation, Series 2018, dated October 1, 2018 due in annual installments of \$279,756 to \$288,471 through February 19, 2038, bearing interest at 3.0% to 5.0%.	\$3,660,000
\$11,915,000 Limited Tax Refunding Bonds, Series 2012, Dated August 15, 2013, due in annual installments varying from \$980,000 to \$1,470,000 through February 15, 2023, bearing interest rates of 2.00% - 3.00%.	4,300,000
\$6,750,000 Tax and Revenue Certificate of Obligation, Series 2013, dated September 19, 2013, due in annual installments varying from \$90,000 to \$570,000 through August 15, 2033, bearing interest rates of 2.00% - 5.00%.	5,795,000
\$3,735,000 Limited Tax Refunding Bonds, Series 2016, dated June 7, 2016, due in annual installments varying from \$265,000 to \$530,000 through February 15, 2027, bearing interest rates of 4.00%-5.00%.	2,915,000
\$8,850,000 General Obligation Bonds, Series 2019, dated September 15, 2019, due in annual installments varying from \$190,000 to \$670,000 through February 15, 2039, bearing interest rates of 1.00%-3.00%.	8,630,000
Total Governmental Activities Bonded Debt	\$25,300,000

Governmental Activities Capital Leases

Governmental activities capital lease debt as of September 30, 2020 is as follows:

\$525,000 Frost Municipal lease agreement dated January 28, 2016. The terms of the capital lease include annual payments of \$60,288 beginning October 2016. The lease was used to purchase a fire truck.	327,731
\$779,159 Frost Municipal lease agreement dated September 21, 2016. The terms of the capital lease include annual payments of \$162,593 beginning November 2016. The lease was used to purchase police radios, base stations, and dispatch consoles.	159,207
\$670,000 Frost Municipal lease agreement dated December 12, 2016. The terms of the capital lease include annual payments of \$76,883 beginning September 2017. The lease was used to purchase a fire truck.	419,919
\$218,544 Frost Municipal lease agreement dated January 17, 2017. The terms of the capital lease include annual payments of \$47,041 beginning February 2018. The lease was used to purchase an ambulance and other vehicle.	90,579
\$60,564 Frost Municipal lease agreement dated July 12, 2017. The terms of the capital lease include annual payments of \$13,153 beginning February 2016. The lease was used to purchase a brush truck.	25,216

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

\$7,446,877 Frost Municipal lease agreement dated December 1, 2017. The terms of the capital lease include annual payments of \$606,289 beginning January 2019. The lease was used to fund building lighting, HVAC upgrades, and replacing traffic light signals. A portion of this lease and annual payments are recorded in the City's Water and Wastewater fund.	840,619
\$225,000 City National Capital Finance lease agreement dated December 8, 2017. The terms of the capital lease include annual payments of \$25,602 beginning December 2018. The lease was used to purchase public safety equipment.	184,198
\$87,728 City National Capital Finance lease agreement dated February 28, 2018. The terms of the capital lease include annual payments of \$19,074 beginning February 2019. The lease was used to purchase a vehicle.	54,109
\$450,000 City National Capital Finance lease agreement dated April 7, 2018. The terms of the capital lease include annual payments of \$98,035 beginning April 2019. The lease was used to purchase police vehicles.	277,730
\$150,000 City National Capital Finance lease agreement dated June 8, 2018. The terms of the capital lease include annual payments of \$31,847 beginning June 2018. The lease was used to purchase an ambulance.	60,538
\$74,562 City National Capital Finance lease agreement dated January 18, 2019. The terms of the capital lease include annual payments of \$16,374 beginning January 2020. The lease was used to purchase vehicles.	54,771
Total Governmental Activities Capital Lease Debt	\$2,494,617

Governmental Activities Note Payable

Governmental activities Note Payable debt as of September 30, 2020 is as follows:

A note dated December 9, 2016 and payable to Carlos J. Garza, Christiaan Van Der Graaff and Ysabella Van Der Graaff for \$456,707. The terms of the note include principal and interest payments of \$5,421 beginning January 9, 2017, continuing monthly thereafter until December 9, 2021, when the entire balance, including principal and interest will be due and payable. The interest rate is a fixed 7.00%. The note is secured by a vendor's lien and superior title.	\$ 316,053
A note dated October 18, 2019 and payable to Valley Growers Gin and Supply Company for \$440,000. Terms of payment include 36 monthly installments of interest only of \$2,200 beginning on November 18, 2019, continuing thereafter until October 18, 2022 when the entire principal balance shall be due and payable. The note is secured by a vendor's lien and superior title.	440,000
Total Governmental Activities Note Payable from Direct Borrowing	\$ 756,053

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Component Unit Bonded Debt

Component Unit bonded debt as of September 30, 2020 is as follows:

\$2,870,000 Economic Development Sales Tax Revenue Refunding Bond Series 2012, due in annual installments not exceeding \$305,000 beginning February 15, 2013 through February 15, 2023, with interest of 3.40% \$880,000

Total Revenue Bonds \$880,000

Transactions for the year ended September 30, 2020 are summarized as follows:

	Balance October 1	Additions	Deletions	Balance September 30	Due Within One Year
Governmental Activities:					
Notes Payable	\$ 357,091	\$ 440,000	\$ 41,038	\$ 756,053	\$ 40,129
Total notes from direct borrowings	357,091	440,000	41,038	756,053	40,129
General Obligation Bonds	8,850,000	-	220,000	8,630,000	190,000
Certificates of Obligation	18,800,000	-	2,130,000	16,670,000	2,190,000
Capital Leases	3,199,442	-	704,825	2,494,617	560,822
Bond Premium	2,071,103	-	238,224	1,832,879	-
380 Agreement Infrastructure	4,211,673	-	623,346	3,588,327	-
Compensated Absences	3,392,948	244,372	-	3,637,320	363,732
Municipal net pension liability	8,791,058	-	2,449,115	6,341,943	-
Firemen's net pension liability	4,806,025	-	-	4,806,025	-
OPEB liability- SDB	639,791	161,069	-	800,860	-
OPEB liability- Retiree health care	2,454,914	-	-	2,454,914	-
Total Governmental Activities	57,574,045	845,441	6,406,548	52,012,938	3,344,683
Business-Type Activities:					
Notes Payable	\$ -	\$ 1,450,810	\$ -	\$ 1,450,810	\$ 53,765
Total notes from direct borrowings	-	1,450,810	-	1,450,810	53,765
Certificate of Obligation	45,880,000	-	2,865,000	43,015,000	2,975,000
Bond Premium	5,233,304	-	808,651	4,424,653	-
Capital Leases	6,532,513	570,485	410,717	6,692,281	531,945
Compensated Absences	123,496	68,504	46,738	145,262	14,526
Customer deposits	1,185,785	92,259	-	1,278,044	-
Landfil Closure	387,764	35,581	50,969	372,376	-
Municipal net pension liability	1,052,286	-	212,966	839,320	-
OPEB liability- SDB	57,287	14,006	-	71,293	-
Total Business-Type Activities	60,452,435	2,231,645	4,395,041	58,289,039	3,575,236
Total Primary Government	\$ 118,026,480	\$ 3,077,086	\$ 10,801,589	\$ 110,301,977	\$ 6,919,919
Component Unit:					
Revenue Bonds	\$ 1,155,000	\$ -	\$ 275,000	\$ 880,000	\$ 280,000
Total Component Unit	\$ 1,155,000	\$ -	\$ 275,000	\$ 880,000	\$ 280,000

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds and Certificates of Obligation

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds and Certificates of Obligation require the City to compute, at the time that taxes are levied, the rate of tax required to provide (in each year that bonds are outstanding) the funds to pay for interest and principal at maturity. The City is in compliance with this requirement. No General Obligation bonds were issued for the fiscal year ended September 30, 2020.

Revenue Bonds

Water and Wastewater Revenue Bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the Water and Sewer system.

The Revenue Bonds are collateralized by the revenue of the water and wastewater system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the Revenue Bond funds remaining revenue may then be used for any lawful purpose.

The ordinances also contain provisions which, among other items, restrict the issuance of additional Revenue Bonds unless the special fund noted above contain the required amounts and certain financial ratios are met. The City is in compliance with all significant financial requirements as of September 30, 2019.

Sales Tax Revenue Bonds are direct obligations issued on a pledge of the City's sales tax revenues allocated to the Economic Development Corporation, in accordance with state statutes.

No Revenue Bonds were issued for the fiscal year ended September 30, 2020.

Tax Notes

On March 1, 2014, the City issued the Tax and Revenue Certificate of Obligation Note, Series 2014 for \$9,075,000. The proceeds of the certificate will be used for financing, the design construction, equipping, renovation, and/or rehabilitation of the City's Waterworks and Wastewater Systems.

Defeased Bonds Outstanding

The City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. The balance of defeased debt outstanding as of September 30, 2020 amounted to \$39,325,000.

Bonds Authorized and Unissued

At September 30, 2020, the City had no General Obligations Bonds and Revenue Bonds which were authorized and unissued.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

The following table summarizes the restricted cash and investments as of September 30, 2019:

	Governmental Activities	Business-Type Activities	Primary Government
Restricted cash:			
Cash restricted for construction	\$ -	\$ 1,123,253	\$ 1,123,253
Cash restricted from PEG fee collection	413,775	-	413,775
Cash restricted for bond retirement	-	529,609	529,609
Cash restricted from customer utility deposits	-	-	-
Cash in escrow	-	13,590	13,590
Total restricted cash	\$ 413,775	\$ 1,666,452	\$ 2,080,227
Restricted investments:			
Restricted for construction	\$ -	\$ 92,957	\$ 92,957
Restricted for bond retirement	-	469,724	469,724
Restricted for bond reserve	-	-	-
Total restricted investments	\$ -	\$ 562,681	\$ 562,681

Debt service requirements to maturity for governmental activities and business-type activities are as follows:

General Obligation Bonds

	Governmental Activities		
Year Ending September 30,	Principal	Interest	Total Requirements
2021	\$ 190,000	\$ 365,950	\$ 555,950
2022	200,000	356,200	556,200
2023	210,000	345,950	555,950
2024	350,000	331,950	681,950
2025	370,000	313,950	683,950
2026-2030	2,145,000	1,273,950	3,418,950
2031-2035	2,635,000	778,100	3,413,100
2036-2040	2,530,000	207,400	2,737,400
Total	\$ 8,630,000	\$ 3,973,450	\$ 12,603,450

Certificates of Obligations

	Governmental Activities			Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2020	\$ 2,190,000	\$ 627,703	\$ 2,817,703	\$ 2,975,000	\$ 1,978,400	\$ 4,953,400
2021	2,260,000	564,818	2,824,818	3,085,000	1,853,526	4,938,526
2022	2,340,000	487,856	2,827,856	3,230,000	1,710,826	4,940,826
2023	995,000	422,531	1,417,531	3,500,000	1,561,351	5,061,351
2024	1,045,000	375,956	1,420,956	3,655,000	1,398,951	5,053,951
2025-2029	4,265,000	1,230,681	5,495,681	17,030,000	4,521,304	21,551,304
2030-2034	2,780,000	427,675	3,207,675	9,540,000	948,452	10,488,452
2035-2039	795,000	58,044	853,044	-	-	-
Total	\$ 16,670,000	\$ 4,195,264	\$ 20,865,264	\$ 43,015,000	\$ 13,972,810	\$ 56,987,810

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Notes Payable

Notes Payable	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
Year Ending September 30,						
2021	\$ 43,902	\$ 47,550	\$ 91,452	\$ 53,765	\$ 42,718	\$ 96,483
2022	46,973	44,479	91,452	53,765	41,105	94,870
2023	490,266	16,986	507,252	53,765	39,492	93,257
2024	53,797	11,255	65,052	53,765	37,879	91,644
2025	57,583	7,469	65,052	1,235,750	18,536	1,254,286
2026-2030	63,532	3,500	67,032	-	-	-
Total	\$ 756,053	\$ 131,239	\$ 887,292	\$ 1,450,810	\$ 179,730	\$ 1,630,540

Debt service requirements to maturity for the component unit are as follows:

Year Ending September 30,	Revenue Bonds		
	Principal	Interest	Total
2021	\$ 280,000	\$ 25,160	\$ 305,160
2022	295,000	15,385	310,385
2023	305,000	5,185	310,185
Total	\$ 880,000	\$ 45,730	\$ 925,730

The following is a schedule of the future minimum lease payments under capital leases as of September 30, 2020:

Capital Leases

Year Ending September 30,	Governmental Activities				
	City National Capital Finance Lease	Frost Municipal Lease	Frost Municipal Lease	Frost Municipal Lease	Frost Municipal Lease
2021	\$ 16,374	\$ 60,288	\$ 162,593	\$ 13,153	\$ 47,041
2022	16,374	60,288	-	13,153	47,041
2023	16,374	60,288	-	-	-
2024	16,374	60,288	-	-	-
2025	-	60,288	-	-	-
2026-2030	-	60,288	-	-	-
2031-2035	-	-	-	-	-
Total minimum lease payments	65,496	361,728	162,593	26,306	94,082
Less the amount representing Interest	(10,725)	(33,997)	(3,386)	(1,090)	(3,503)
Present value of net minimum lease payments	\$ 54,771	\$ 327,731	\$ 159,207	\$ 25,216	\$ 90,579

City of Weslaco, Texas
Notes to Financial Statements

NOTE 6: LONG-TERM DEBT (Continued)

Year Ending September 30,	Governmental Activities				
	Frost Municipal Lease	Frost Municipal Lease	City National Capital Finance Lease	City National Capital Finance Lease	City National Capital Finance Lease
2021	\$ 76,883	\$ 76,935	\$ 25,602	\$ 19,074	\$ 98,035
2022	76,883	76,935	25,602	19,074	98,035
2023	76,883	76,935	25,602	19,074	98,035
2024	76,883	76,935	25,602	-	-
2025	76,883	76,935	25,602	-	-
2026-2030	76,883	384,675	76,806	-	-
2031-2035	-	230,806	-	-	-
Total minimum lease payments	461,298	1,000,156	204,816	57,222	294,105
Less the amount representing Interest	(41,379)	(159,537)	(20,618)	(3,113)	(16,375)
Present value of net minimum lease payments	\$ 419,919	\$ 840,619	\$ 184,198	\$ 54,109	\$ 277,730

Year Ending September 30,	Governmental Activities	
	City National Capital Finance Lease	Total Requirements
2021	\$ 31,847	\$ 627,825
2022	31,847	465,232
2023	-	373,191
2024	-	256,082
2025	-	239,708
2026-2030	-	598,652
2031-2035	-	230,806
Total minimum lease payments	63,694	2,791,496
Less the amount representing Interest	(3,156)	(296,879)
Present value of net minimum lease payments	\$ 60,538	\$ 2,494,617

Year Ending September 30,	Business-Type Activities			
	City National Capital Finance Lease	Kansas State Bank Lease	Government Capital Corporation	Total Requirements
2021	\$ 529,354	\$ 70,552	\$ 122,848	\$ 722,754
2022	529,354	70,552	122,848	722,754
2023	529,354	70,552	122,848	722,754
2024	529,354	209,639	122,848	861,841
2025	529,354	-	122,848	652,202
2026-2030	2,646,770	-	-	2,646,770
2031-2035	1,588,062	-	-	1,588,062
Total minimum lease payments	6,881,602	421,295	614,240	7,917,137
Less the amount representing Interest	(1,096,359)	(84,742)	(43,755)	(1,224,856)
Present value of net minimum lease payments	\$ 5,785,243	\$ 336,553	\$ 570,485	\$ 6,692,281

City of Weslaco, Texas
Notes to Financial Statements

NOTE 7: PROPERTY TAX

The State of Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2020 was levied using a rate of \$.6967 per one hundred dollars of assessed valuation based on 100 percent of estimated market value.

Legislation has been passed by the Texas Legislature which affects the methods of property appraisal in the City. This legislation, with certain exceptions, exempts intangible personal property, household goods, and family-owned automobiles (unless specifically authorized by resolution of the governing body) from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county appraisal districts and for a state property board.

The appraisal of property within the city is the responsibility of the Hidalgo County Tax Appraisal District.

The Appraisal District is required under the Property Tax Code to appraise all property within the county on the basis of 100 percent of its market value. The value of real property within the Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on city property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the city may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the effective tax rate.

The City bills and collects its own property taxes through a contractual agreement with the County of Hidalgo. Collections of the city taxes and remittance of them are accounted for in the County of Hidalgo Tax Collection Agency Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. January 1 is the assessment date. March 31 is the end of the rendition period for the Appraisal District.

By September 30, the City adopts the tax rate. Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after July 1 to file suits on real estate property. As of July 1, 15% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2019, were 96.3% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred inflows at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 8: INTERFUND RECEIVABLES AND PAYABLES

Inter-fund balances at September 30, 2020 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund						
	General Fund	Water and Wastewater Fund	Solid Waste Fund	Airport Fund	Other Governmental Funds	Internal Service Fund	Total
General Fund	\$ 3,790	\$ 259,258	\$ 890,709	\$ 607,455	\$ 10,432	\$ 250,269	\$ 2,021,913
Solid Waste Fund	-	2,000,000	-	-	-	-	2,000,000
Other Governmental Funds	82,739	-	-	-	-	-	82,739
	<u>\$ 86,529</u>	<u>\$ 2,259,258</u>	<u>\$ 890,709</u>	<u>\$ 607,455</u>	<u>\$ 10,432</u>	<u>\$ 250,269</u>	<u>\$ 4,104,652</u>

Interfund balances are due to timing on cash transfers and to cover deficits at year end. These are expected to be funded once reimbursement is received in the respective funds. There is a long-term advance from the Solid Waste Fund to the Water and Wastewater fund adopted by resolution in September of 2015 to be repaid within a five year period.

NOTE 9: TRANSFERS

Transfers at September 30, 2020 consisted of the following:

Transfer Out Funds	Transfer in Funds				
	General Fund	Other Governmental Funds	Water and Wastewater Fund	Airport Fund	Total
General Fund	\$ 993,255	\$ 812,573	\$ 259,258	\$ 250,000	\$ 2,315,086
Water and Wastewater Fund	1,565,562	-	5,170,625	-	6,736,187
Solid Waste Fund	125,000	1,000,000	-	-	1,125,000
	<u>\$ 2,683,817</u>	<u>\$ 1,812,573</u>	<u>\$ 5,429,883</u>	<u>\$ 250,000</u>	<u>\$ 10,176,273</u>

Transfers to the capital improvement fund and firemen's equipment replacement fund were made in accordance with ordinances to fund City projects and replace old equipment. In addition, there was a transfer out of the general fund to supplement the airport fund for expenditures in excess of revenues. There was a transfer from the general fund to water and wastewater fund for the payment certain capital improvements. There were transfers from water and wastewater and solid waste funds to the general fund in accordance with City policy to fund future projects.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS

A. Texas Municipal Retirement System (TMRS)

Plan Description

The City of Weslaco participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with TMRS act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefits are calculated as if the sum of the employee's contributions, with interest, and the city-financing monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	167
Inactive employees entitled to but not yet receiving benefits	161
Active employees	<u>240</u>
	<u>568</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Employees for the City of Weslaco, Texas were required to contribute 7.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.00% and 8.52% in calendar 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$946,759 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2019 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Schedule of Changes in Net Pension Liability

The change in the City's net pension liability for TMRS pension for the fiscal year ended September 30, 2020 is as follows:

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2018	\$ 46,803,406	\$ 36,960,062	\$ 9,843,344
Changes for the year			
Service cost	1,548,576	-	1,548,576
Interest	3,140,037	-	3,140,037
Difference Between expected/actual experience	(156,422)	-	(156,422)
Changes of assumptions	112,715	-	112,715
Contributions- employer	-	871,252	(871,252)
Contributions- employee	-	761,861	(761,861)
Net investment income	-	5,707,131	(5,707,131)
Benefit payments, including refunds of employee contributions	(2,117,240)	(2,117,240)	-
Administrative expenses	-	(32,286)	32,286
Other charges	-	(971)	971
Net changes	2,527,666	5,189,747	(2,662,081)
Balance at December 31, 2019	\$ 49,331,072	\$ 42,149,809	\$ 7,181,263

Net pension liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$6,341,943 and \$839,320, respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would have been if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 14,263,197	\$ 7,181,263	\$ 1,377,990

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020 the City recognized pension expense in the amount of \$1,418,161. At September 30, 2030 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 104,124	\$ 117,608
Changes in actuarial assumptions	84,746	-
Differences between expected and actual investment earnings (net of current year amortization)	-	1,287,159
Contributions subsequent to measurement date	743,280	-
Total	\$ 932,150	\$ 1,404,767

Deferred outflows/inflows of resources related to pensions are allocated between the governmental activities and business-type activities in the statement of net position. Please see Note 13 for the aggregate amount of deferred outflows/inflows of resources, pension and OPEB liabilities, and pension and OPEB expenses.

\$743,280 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2021	\$ (327,783)
2022	(350,904)
2023	105,584
2024	(642,794)

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

B. Firemen's Pension Plan

Plan Description

The Board of Trustees of the Weslaco Firemen's Relief and Retirement Fund is the administrator of a single-employer defined benefit pension plan. The Firemen's Relief and Retirement Fund is considered part of the City of Weslaco's financial reporting entity and is included in the City's financial reports as a pension trust fund.

A stand-alone report for the Firemen's Relief and Retirement fund is publicly available at City Hall located at 255 S. Kansas Avenue, Weslaco, Texas 78596, and complies with GASB Statement No. 67 *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25.

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	33
Current employees	66
Total	99

The Firemen's Relief and Retirement Fund provides service retirement, death, disability and withdrawal benefits. These benefits vest after twenty years of credited service. Employees may retire at age 55 with twenty years of service. The monthly benefit at retirement is equal to a base benefit of 2.5% of the highest 60-month average salary multiplied by his years of service, with a maximum of 20 years, but not less than \$1,000; plus a longevity benefit equal to \$132 for each year of service in excess of 20 years. Under this plan, Weslaco firefighters are required to contribute 12% of their pay to the fund. The City of Weslaco is required to make contributions which will equal 12% of pay.

The City of Weslaco Firemen's Relief and Retirement Plan was organized under the Texas Local Fire Fighters Retirement Act (TLFFRA). TLFFRA allows for paid and part-paid fire departments and volunteer fire departments in participating cities to administer their own local retirement systems. The Act provides a general framework for the establishment of TLFFRA systems, including some investment restrictions, but leaves administration, plan design, contributions, and specific investments to each system's local board. Systems operating under TLFFRA are entirely locally funded.

In 2013 the Office of the Fire Fighter's Pension Commissioner was abolished under the Senate Bill 220 by the Texas Sunset Commission. Accordingly, the duties and responsibilities assigned to the Commissioner were transferred to the Texas Pension Review Board (PRB).

The Texas Pension Review Board (PRB) is mandated to oversee all Texas public retirement systems, both state and local, in regard to their actuarial soundness and compliance with state law. The PRB monitors the financial and actuarial soundness of 93 actuarially funded defined benefit public retirement systems in Texas, as well as their compliance with state law.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Weslaco Firemen's Relief and Retirement Fund's financial statements are prepared using the accrual basis of accounting. The fund operates on a fiscal year and employee and employer contributions are recognized as revenue in the period in which they are received by the fund.

Method Used to Value Investments

The Weslaco Firemen's Relief and Retirement Fund's investments are reported at fair market value. There is no provision for the amortization of premium or discount in the purchase price of these assets. Investment income is recognized as it is received. Gains and losses on the sale of assets are recognized as of the transaction date.

Net Pension Liability

The City's Net Pension Liability (NPL) for the Firemen's Fund was measured as of September 30, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of September 30, 2019.

Actuarial Assumptions

Valuation date	September 30, 2019
Actuarial cost method	Entry age - normal
Remaining amortization period	14.1 years, closed
Asset valuation method	market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	Graded by service
Inflation	2.5%

There were no changes in actuarial assumptions or benefits from the prior valuation. The base benefit was increased from 2.35% to 2.5% per year of service, with a maximum of 20 years since the previous actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Equity	6.0%
Fixed Income	4.0%
Cash	0.0%

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.25% net of investment expense. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal 12.00% of payroll and that member contributions would equal 12% of compensation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of benefit payments to determine the total pension liability.

Schedule of Changes in Net Pension Liability- The change in net pension liability for the Firemen's Fund for the fiscal year ended September 30, 2019 is as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a)-(b) Net Pension Liability (Asset)
Balance at September 30, 2018	\$ 15,852,587	\$ 11,577,179	\$ 4,275,408
Changes for the year			
Service cost	555,465	-	555,465
Interest	1,159,947	-	1,159,947
Difference Between expected/actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions- employer	-	519,826	(519,826)
Contributions- employee	-	513,232	(513,232)
Net investment income	-	207,493	(207,493)
Benefit payments, including refunds of employee contributions	(832,135)	(832,135)	-
Administrative expenses	-	(55,756)	55,756
Net changes	883,277	352,660	530,617
Balance at September 30, 2019	\$ 16,735,864	\$ 11,929,839	\$ 4,806,025

Sensitivity of the Net Pension Liability to Changes in the Discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's net pension liability	\$ 7,408,224	\$ 4,806,025	\$ 2,687,940

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019 the City recognized pension expense in the amount of \$451,476. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ 293,475	\$ 79,151
Changes in actuarial assumptions	-	138,264
Differences between expected and actual investment earnings (net of current year amortization)	299,306	-
Total	\$ 592,781	\$ 217,415

Please see Note 13 for total deferred outflows/inflows of resources from other pension and OPEB liabilities.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2020	\$ 38,056
2021	68,267
2022	109,050
2023	141,893
2024	14,490
Thereafter	3,610

The aggregate amount of pension expense for both defined benefit pension plans amounted to \$2,509,429 for the year ended September 30, 2019.

C. Other Plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 10: DEFINED BENEFIT - PENSION PLANS (Continued)

C. Other Plans (continued)

In prior years the Internal Revenue code specified that the plan's assets were the property of the City until paid or made available to participants, subject only on an equal basis to the claims of the City's general creditors. A 1996 federal law now requires all assets and income of the Internal Revenue Code 457 deferred compensation plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries.

Assets of the City's plan are administered by private corporations under contract with the City. The private administrators have amended the plans to comply with the federal law. Consequently, the plan's assets and liabilities have been removed from the City's financial statements.

D. Summary of Pension Plans

	City- TMRS	Firemen's Pension Plan	Total City-TMRS and Firemen's Pension Plan
Total pension liability	\$49,331,072	\$ 16,735,864	\$ 66,066,936
Plan fiduciary net position	42,149,809	11,929,839	54,079,648
Net pension liability	7,181,263	4,806,025	11,987,288
Deferred outflows of resources	\$ 93,150	\$ 592,781	\$ 685,931
Deferred inflows of resources	\$ 1,404,767	\$ 217,415	\$ 1,622,182
Pension expenses	\$ 1,418,161	\$ 451,476	\$ 1,869,637

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

A. TMRS Supplemental Death Benefit Fund (SDBF)

The City also participates in a single-employer, defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). This is a voluntary program in which the City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>240</u>
	<u>405</u>

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees for the City of Weslaco were required to contribute 0.06% of their annual gross earnings during the fiscal year. The contribution rates for the City of Weslaco were 0.16% and 0.18% in calendar year 2019 and 2020, respectively. The City's contributions to the SDBF for the year ended September 30, 2020 were \$19,772, and were equal to the required contributions.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date:	12/31/2019
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount rate*	2.75%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*the discount rate was based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period of December 31, 2014 to December 31, 2018.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date. The following presents a summary of the changes in Total OPEB liability:

	Total OPEB Liability (a)
Balance at December 31, 2018	\$ 697,078
Changes for the year:	
Service cost	24,960
Interest	26,224
Difference between expected/actual experience	(15,235)
Changes of assumptions	144,552
Benefit payments, including refunds of employee contributions	(5,426)
Net changes	175,075
Balance at December 31, 2019	\$ 872,153

Total OPEB liability amounts are allocated between the governmental activities and business-type activities in the statement of net position by \$800,860 and \$71,293, respectively.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's total OPEB liability	\$ 1,056,800	\$ 872,153	\$ 728,668

OPEB Expense and Deferred Outflows of Resources Related to OPEBs

For the year ended September 30, 2020 the City recognized combined OPEB expense in the amount of \$71,949. At September 30, 2020 the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience (net of current year amortization)	\$ -	\$ 25,067
Changes in actuarial assumptions	147,471	33,788
Contributions subsequent to the measurement date	15,703	-
Total	\$ 163,174	\$ 58,855

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Deferred outflows of resources related to the total OPEB liability related to the supplemental death benefit are allocated between the governmental activities and business-type activities in the statement of net position. Please see Note 13 for the aggregate amount of deferred outflows/inflows of resources, pension and OPEB liabilities, and pension and OPEB expenses.

The \$15,703 which are reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2021	\$ 20,765
2022	20,765
2023	17,498
2024	14,106
2025	15,482

B. Firefighter Retiree Health Care

As part of the City's collective bargaining agreement the City makes available health care benefits to all firefighters who retire from the City under a single-employer health insurance plan. All current full-time firefighters covered under the collective bargaining agreement are eligible for the plan after age 55 with at least 20 years of service. The City's coverage continues until the retiree is eligible for Medicare. Under the plan retired firefighters pay 50% of the insurance premium for their coverage with the other 50% coverage being paid by the City. Retired firefighters must pay 100% of the insurance premium coverage to cover their spouse.

Firefighters who are eligible for retirement, but instead choose to terminate employment, are not eligible for coverage under the plan. In addition, retirees who elect to opt-out of the plan do not receive any cash payment in lieu of participating in the plan.

Spouses and dependents are eligible for COBRA coverage for 18 months (or up to 36 months under certain circumstances) following members retirement date. Spouse and dependent(s) are responsible for payment of the full premium amount. Retirees are required to enroll in Medicare once eligible. Retirees pay Medicare premiums. The City does not provide subsidized retiree vision or dental care coverage. Nor does the City provide subsidized retiree life insurance coverage. Life insurance coverage carried at the time of retirement is portable.

Employees covered by benefit terms

At the September 30, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	<u>66</u>
	67

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy and Annual Firefighter Retiree Health Care Plan Cost

The City's annual firefighter retiree health care plan cost is based upon the annual actuarially determined contribution of the employer ("ADC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ADC represents an accrual that, if expensed annually, will recognize the normal cost each year and an amount to amortize any unfunded actuarial liabilities (or funding excess) over thirty years. The City has not established a trust to fund the Firefighter Retiree Health Care Plan liability and intend to continue the pay-as-you-go funding method. The plan does not issue a separate financial report.

Actuarial assumptions:

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date: September 30, 2020

Methods and Assumptions

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	2.40% as of September 30, 2020
Inflation	2.50%
Salary Increases	3.25% per annum for wage inflation. 5.16% grading down to 0.00% per annum for longevity and promotion based on years of service
Mortality Rates	SOA Public Safety Mortality tables with generational mortality projection using Scale MP-20193 Separate rates for employees and retirees. Separate rates for males and females.
Health Care Trend Rates	7.75% for 2020 decreasing by 0.25% per year until the ultimate rate of 4.50% is reached in 2033.
Retirement Rates	50% for those retiring between age 55-59; 100% for those retiring at age 60. No participation after retiree reaches eligibility age for Medicare.

Other Information:

Notes: The discount rate changed from 2.75% as of October 1, 2019 to 2.40% as of September 30, 2020.

Discount Rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.40% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.75% as of the prior measurement date.

Plan Assets: There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's Total OPEB Liability related to the Firefighter Retiree Health Care OPEB was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

The following presents a summary of the changes in Total OPEB liability:

	Increase (Decrease)
	Total OPEB Liability (a)
Balance at September 30, 2019	\$ 2,454,914
Changes for the year:	
Service cost	194,173
Interest	72,446
Difference between expected/actual experience	15,219
Changes of assumptions	147,060
Contributions - employer	(14,704)
Changes in benefit terms	(847,947)
Net changes	(433,753)
Balance at September 30, 2020	\$ 2,021,161

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Sensitivity of Total OPEB Liability to the Discount Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.40%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (1.40%)	Discount Rate (2.40%)	1% Increase in Discount Rate (3.40%)
City's total OPEB liability	\$ 2,247,800	\$ 2,021,161	\$ 1,812,859

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption: Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in trend	Current trend	1% Increase in trend
City's total OPEB liability	\$ 1,712,571	\$ 2,021,161	\$ 2,395,431

OPEB Expense and Deferred Inflows of Resources Related to Firefighter Retiree Health Care OPEB.

For the year ended September 30, 2020, the City recognized a pension expense of (\$555,390). At September 30, 2020, the City reported deferred inflows of resources related to Firefighter Retiree Health Care OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,131	\$ -
Changes in assumptions	365,413	58,102
Total	\$ 379,544	\$ 58,102

Amounts reported as deferred inflows of resources related to Firefighter Retiree Health Care OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2021	\$ 25,933
2022	25,933
2023	25,933
2024	25,933
2025	25,933
Thereafter	191,777

City of Weslaco, Texas
Notes to Financial Statements

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Summary of Other Post-Employment Benefits

	City TMRS SDBF Plan	Firefighter Retiree Health Care Plan	Total City- TMRS SDB and Firefighter Retiree Health Care Plan
Total OPEB liability	\$ 872,153	\$ 2,021,161	\$ 2,893,314
Plan fiduciary net position	-	-	-
Net pension liability	872,153	2,021,161	2,893,314
Deferred outflows of resources	\$ 163,174	\$ 379,544	\$ 542,718
Deferred inflows of resources	\$ 58,855	\$ 58,103	\$ 116,958
OPEB expense	\$ 71,949	\$ (555,390)	\$ (483,441)

NOTE 12: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position reports deferred outflows of resources in connection with the consumption of net position that applies to a future period. The components of deferred outflows of resources are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Deferred outflows of resources:			
Pensions:			
Deferred outflows related to TMRS pension	\$ 831,832	\$ 100,318	\$ 932,150
Deferred outflows related to Firemen's pension	-	-	-
Total deferred outflows related to pensions	831,832	100,318	932,150
OPEB:			
Deferred outflows related to TMRS Supplemental Death Benefit OPEB	149,989	13,185	163,174
Deferred outflows related to Firefighter Retiree Health Care OPEB	379,544	-	379,544
Total deferred outflows related to OPEB	529,533	13,185	542,718
Other:			
Deferred outflows related to deferred charge on refunding	178,082	1,778,044	1,956,126
Total deferred outflows of resources	\$ 1,539,447	\$ 1,891,547	\$ 3,430,994

City of Weslaco, Texas
Notes to Financial Statements

NOTE 12: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

In addition to deferred outflows of resources the governmental activities reported \$308,779 in unearned revenue related to deposits received on park dedication fees.

The statement of net position reports deferred inflows of resources in connection with an acquisition of net position that applies to a future period. The components of deferred inflows of resources are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Deferred inflows of resources:			
Pensions:			
Deferred inflows related to TMRS pension	\$ 1,272,749	\$ 132,018	\$ 1,404,767
Deferred inflows related to Firemen's pension	-	-	-
Total deferred inflows related to pensions	1,272,749	132,018	1,404,767
OPEB:			
Deferred inflows related to TMRS Supplemental Death Benefit OPEB	\$ 54,148	\$ 4,707	\$ 58,855
Deferred inflows related to Firefighter Retiree Health Care OPEB	58,102	-	58,102
Total deferred inflows related to OPEB	112,250	4,707	116,957
Total deferred outflows of resources	\$ 1,384,999	\$ 136,725	\$ 1,521,724

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The City reported deferred inflows of resources as of September 30, 2020 as follows:

	General Fund	Debt Service Fund	Total Governmental Funds	Component Unit
Deferred inflows of resources:				
Unavailable revenues- property taxes	\$ 603,382	\$ 236,639	\$ 840,021	\$ -
Unavailable revenues- EMS fees	1,525,330	-	1,525,330	-
Unavailable revenues- grants	329,532	-	329,532	-
Unavailalbe revenues- notes receivable	-	-	-	3,223,281
	\$ 2,458,244	\$ 236,639	\$ 2,694,883	\$ 3,223,281

NOTE 13: CITY ADVISORY NON-PROFIT CORPORATION

There are five non-profit corporations owned by the City of Weslaco that are used to attract and promote industry, hospital and housing facilities. The City Hospital and Housing Corporations (four) act as advisory boards which review and provide recommendations to the City Commission. There are no financial transactions involved.

Weslaco Development Committee, Inc. dissolved during the 2002 fiscal year. The Weslaco Economic Development Corporation absorbed the Weslaco Development Committee, Inc. assets and liabilities. The EDC operations are reported as a discretely presented component unit.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 14: PROPRIETARY FUND-SANITARY LANDFILL

Recognition of closure and post-closure costs

State and federal EPA laws require final cover closure as well as post-closure care of the City of Weslaco landfill site in Alton, Texas. The Governmental Accounting Standards Board issued Statement No. 18-*Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. This statement addresses the financial statement effect of the EPA rules and state rules and requires that all closure and post-closure costs be recognized during the operating life of the landfill. The City's landfill is currently inactive.

The closure and post-closure costs considered are based on this inactive state. If the landfill begins receiving wastes, the closure and post-closure and related liability balance will have to be revised based on the capacity of the landfill that will be used.

Approximately twenty-five percent of the landfill capacity has been used to date. Based on the current capacity used, \$372,376 was estimated as a closure and post-closure cost. This includes cost related to the transfer station, underground petroleum storage tanks, and landfill closure and post-closure costs and is adjusted for inflation. The landfill has been closed and post-closure costs liability is estimated at \$32,376. These costs are currently reflected in the financial statements of the Solid Waste Fund. As costs are incurred during the year, the liability will be reduced. The City met the state's financial assurance requirements during the current fiscal year. The landfill remains in an inactive status as of September 30, 2020. The post-closure costs include lab tests, gas monitoring, leachate disposal and general monitoring maintenance during its inactive status.

NOTE 15: COMMITMENTS

At September 30, 2020, the City had ongoing commitments related to the following:

Project	Original Amount	Expensed	Remaining Commitment
Governmental Activities:			
FM 1015 Road Improvement Phase 1	\$ 815,871	\$ 815,871	\$ -
Westgate Road Improvement Project	753,741	753,741	-
North Side Park	1,020,000	267,684	752,316
Pleasant View Project	4,775,000	742,387	4,032,613
Austin & Merida	500,000	61,097	438,903
Flap Gates		338,800	(338,800)
New Police and Fire Station		132,005	(132,005)
Mile 5 N. Rd. Improvement		101,578	(101,578)
Total governmental Activities	7,864,612	3,213,163	4,651,449
Business-Type Activities:			
Airport Kapal Project	129,000	59,058	69,942
Total business-type activities	129,000	59,058	69,942
Total Primary Government	\$ 7,993,612	\$ 3,272,221	\$ 4,721,391

Construction in progress amounts for which project contracts have not been finalized are not reflected in the schedule.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 15: COMMITMENTS (Continued)

The Economic Development Corporation of Weslaco extended economic incentives to the following entities as follows:

Incentives	Paid in Commitment	Paid in Prior Year	Paid in Current Year	Balance Due
Wal-Mart Neighborhood	\$ 900,000	\$ 400,000	\$ -	\$ 500,000
R 5 Eateries (Bar B Cutie)	160,000	133,333	13,333	13,334
Claudia Hernandez-Project Smile	75,000	15,000	-	60,000
Rio Prevision Machine (Project Knob)	68,778	24,300	-	44,478
Kapal Cabinet House, LLC	255,192	139,128	69,564	46,500
Kapal Cabinet House, LLC (II)	50,840	-	50,840	-
Coastal Deli, Inc. d/b/a Jason's Deli	134,300	44,767	44,767	44,766
Kapal Millwork	62,414	-	48,114	14,300
RGV Solar Power Systems	50,000	25,000	-	25,000
City of Weslaco (Alley)	30,000	4,750	-	25,250
City of Weslaco (Drainage)	415,468	-	-	415,468
Domain Development Corp.	350,000	-	116,667	233,333
A3H Foods II, LP	75,000	-	25,000	50,000
A3H Foods II, LP (Project Box)	150,000	-	-	150,000
LF Trinity (Project Fire & Water)	67,092	-	-	67,092
Dr. Rolando Rios (Project Eye)	47,707	-	-	47,707
Pharmaceutical Processing (Project Eli)	52,500	-	-	52,500
Weslaco Glass (Project Windshield)	24,950	-	-	24,950
Tomasita Hernandez (Project Tommy)	5,000	-	5,000	-
Roberta Reyes-Ramos (Project Bravo)	5,000	-	5,000	-
Dance Time (Project Angie)	5,000	-	-	5,000
Harbor Freight (Project Dock)	106,378	-	-	106,378
City of Weslaco (Sports Complex)	500,000	-	100,000	400,000
Total Monetary Incentives	\$ 3,590,619	\$ 786,278	\$ 478,285	\$ 2,326,056

Subsequent year balances of \$886,992 are contingent on the business entities maintaining agreed upon employment levels and other conditions of the loan/grant incentives. This amount is not recognized as a liability in the financial statements.

NOTE 16: RISK MANAGEMENT

The City is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees, citizens and the general public; and natural disasters. The City has purchased group health insurance, life insurance, general liability insurance, and workmen's compensation insurance. The City has also purchased insurance coverage for fire and extended coverage on buildings and contents; and fire, lightning, and windstorm insurance for its vehicles for damages in excess of certain limits. There were no significant reductions in insurance coverage from coverage in the prior year by major category risk. In addition, there were no material insurance settlements exceeding insurance coverage in any of the past three years.

NOTE 17: CONTINGENT LIABILITIES

The City participates in a number of federally assisted grant programs such as the Community Development Block Grants, and the Texas Department of Transportation. These programs are subject to program compliance audits by the grantors or their representatives. The audit of these programs for/or including the year ended September 30, 2020 have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 17: CONTINGENT LIABILITIES (Continued)

The City is involved in litigation claims against it from time to time that are generally incidental to its operations. However, it is the opinion of the City's management that the City's liability in those cases that are not covered by liability insurance will not be material to the financial statements for these contingent liabilities. The City is currently involved in one litigation claim that presents possible exposure not covered by liability insurance. The City is actively defending the case and the amount, if any, of ultimate liability has not yet been determined.

NOTE 18: 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

The City of Weslaco is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. The City of Weslaco has previously developed economic development programs and incentives designed to encourage high quality business, commercial, professional sports and manufacturing concerns to locate, remain, and expand in the City of Weslaco. Now the City of Weslaco seeks to enhance its economic development efforts to attract and retain high quality development and jobs by establishing Chapter 380 Economic Development Program Agreements.

These 380 Economic Development Program Agreements are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance the City's economic base, and diversify and expand job opportunities or by promoting and encouraging projects that create additional revenue for the City without substantially increasing the demand on City services or infrastructure. The ultimate goal and public purpose of programs established is to protect and enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Weslaco residents.

The following table lists the total Economic Development Program Agreements of the active Chapter 380 Economic Development Program Agreements:

Agreement	Total Payments	Payments		Balance
		Prior Years	Current Year	
SDI Weslaco Holdings, LLC	\$ 3,300,000	\$ 2,565,224	\$ 322,025	\$ 412,751
HEB Grocery Company, LP	3,530,000	2,702,103	301,321	526,576
* Tri-Gen University Apartments	-	-	-	2,649,000
	<u>\$ 6,830,000</u>	<u>\$ 5,267,327</u>	<u>\$ 623,346</u>	<u>\$ 3,588,327</u>

*Effective February 1, 2018 the City entered into a Chapter 380 Agreement with Tri-Gen for a facility development project consisting of apartments. The City's obligation under the Chapter 380 agreement is reflected in the balance noted in the table above. City management plans to sell the development project including land acquired and has assigned the proceeds to satisfy this obligation. The total amount of the obligation of the chapter 380 Agreement and the acquisition value of the land acquired to begin the project is recorded as assets held for sale in the amount of \$2,874,000.

City of Weslaco, Texas
Notes to Financial Statements

NOTE 18: 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT- (Continued)

Sales Tax Rebate Agreements

In addition to the Chapter 380 Agreements, the City also offered sales rebates as additional incentives to the developer and retail establishments, locating within the SDI development project. These rebates are not recorded as a liability or commitment, as the individual amounts are not known until the sales taxes are collected. The total rebates have been set at \$10,500,000. These are to be reimbursed over ten years, beginning April 1, 2011. Total reimbursed sales tax proceeds to date is \$5,833,367, of which \$591,644 is current proceeds reimbursed. Total rebates balance owed is \$4,666,633.

NOTE 19: FUND BALANCES

Nonspendable – balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted – external parties have restricted these funds to be used for their intended purpose.

Committed – the City Commission has authorized the City to use these funds for specifically identified purposes.

Unassigned – the unassigned fund balance has no constraints.

The City of Weslaco reported fund balances in the following classifications as of September 30, 2020:

	General Fund	2019 Bond Construction Fund	Other Governmental Funds	Total	Component Unit
Nonspendable:					
Inventories	\$ 9,055	\$ -	\$ -	\$ 9,055	\$ -
Prepaid items	10,306	-	-	10,306	-
Nonspendable total	19,361	-	-	19,361	-
Restricted for:					
Street improvements and other capital projects	-	8,856,054	3,166,768	12,022,822	-
Tourism	-	-	702,921	702,921	-
Library activities	-	-	14,364	14,364	-
Project development	-	-	167,552	167,552	-
Debt Service	-	-	526,173	526,173	-
Restricted total	-	8,856,054	4,577,778	13,433,832	-
Assigned:					
Assigned for debt service	-	-	-	-	320,000
Assigned for capital projects	-	-	1,455,433	1,455,433	-
Assigned for chapter 380 agreement	2,874,000	-	-	2,874,000	-
Total assigned	2,874,000	-	1,455,433	4,329,433	320,000
Unassigned	9,151,461	-	-	9,151,461	6,263,923
Total Fund Balance	\$12,044,822	\$ 8,856,054	\$ 6,033,211	\$26,934,087	\$6,583,923

City of Weslaco, Texas
Notes to Financial Statements

NOTE 20: NET POSITION

Net position is composed of three categories: net investment in capital assets, restricted and unrestricted.

	Governmental Activities	Business-type Activities	Component Unit
Net investment in capital assets:			
Capital assets, net of accumulated depreciation	\$ 53,904,990	\$ 100,224,704	\$ 4,950,721
Less related liabilities	(28,733,944)	(51,158,091)	-
Less unamortized bond premium	(1,832,879)	(4,424,654)	-
Plus deferred charge on refunding	178,082	1,778,044	-
Plus unexpended bond proceeds	12,022,439	1,216,210	-
Net investment in capital assets	35,538,688	47,636,213	4,950,721
Restricted net position consists of the following:			
Debt service	526,173	999,333	320,000
Tourism	702,921	-	-
Library activities	14,364	-	-
Building depreciation fund	167,552	-	-
Capital projects	-	13,590	-
Restricted net position	1,411,010	1,012,923	320,000
Unrestricted net position	(5,357,467)	(2,290,173)	8,603,477
Total net position	\$ 31,592,231	\$ 46,358,963	\$ 13,874,198

NOTE 21: RELATED PARTY TRANSACTIONS

On November 20, 2019, the City of Weslaco entered into a promissory note with the Economic Development Corporation of Weslaco for \$1,450,810 for the purchase of land. Interest on the note is payable on June 20 and December 20 of each year commencing on June 20, 2020 and annual principal payments of \$53,765 beginning December 20, 2020, continuing annually thereafter until December 20, 2024 at which time total principal plus interest is due. The interest rate is fixed at 3.00%. The note is secured by a vendor's lien and superior title.

During the fiscal year ended September 30, 2020, the City of Weslaco, Texas reimbursed the Economic Development Corporation of Weslaco a total of \$307,567. The reimbursement was for the following cost sharing expenditures: \$300,000 for Weslaco Small Business Loan Grants, \$1,400 for advertising and promotion, and \$6,167 for repairs.

NOTE 22: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual
General Fund

For the Year Ended September 30, 2020

	Budget			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes - including penalty and interest	\$ 9,834,485	\$ 9,834,485	\$ 9,619,717	\$ (214,768)
Nonproperty taxes	12,034,797	12,005,797	12,309,448	303,651
Fees and charges	2,888,590	2,493,590	2,271,717	(221,873)
Fines and forfeitures	595,116	408,316	356,116	(52,200)
Licenses and permits	574,029	587,029	653,513	66,484
Intergovernmental	1,066,753	2,813,773	6,120,352	3,306,579
Investment income	203,000	203,000	162,416	(40,584)
Miscellaneous	182,714	176,014	320,215	144,201
Total revenues	27,379,484	28,522,004	31,813,494	3,291,490
EXPENDITURES				
General government				
City Commission	126,097	136,097	119,642	16,455
City Manager	359,920	379,288	383,953	(4,665)
City Secretary	389,574	369,574	323,268	46,306
Finance	872,291	867,791	893,530	(25,739)
Human resources	279,135	290,035	318,544	(28,509)
Building Maintenance	836,008	848,508	806,000	42,508
Municipal Court	257,274	257,274	254,588	2,686
Planning & Code Enforcement	1,373,680	1,378,680	1,282,785	95,895
Information Technology	1,259,786	1,254,786	1,049,350	205,436
Law	313,460	302,460	343,665	(41,205)
Non-departmental activities	682,392	682,392	654,974	27,418
Total general government	6,749,617	6,766,885	6,430,299	336,586
Public safety				
Police Department	8,662,687	9,969,788	8,881,026	1,088,762
Fire Department	6,279,927	6,279,927	7,003,538	(723,611)
Emergency Medical Services Department	325,900	323,900	309,396	14,504
Emergency Management Department	53,576	165,576	1,066,538	(900,962)
Total public safety	15,322,090	16,739,191	17,260,498	(521,307)
Public works				
Public Works Administration	286,551	285,451	277,266	8,185
Streets Department	1,278,145	1,318,145	1,283,571	34,574
Drain Ditch Department	718,592	757,592	988,900	(231,308)
Fleet Maintenance Shop Department	362,952	362,952	279,715	83,237
Total public works	2,646,240	2,724,140	2,829,452	(105,312)
Culture and Recreation				
Parks & Recreation Department	832,881	797,881	644,232	153,649
Library Department	921,834	872,834	815,702	57,132
Total culture and recreation	1,754,715	1,670,715	1,459,934	210,781
Other Economic Development	584,785	584,785	591,644	(6,859)
Debt service				
Principal retirement	665,090	665,090	879,965	(214,875)
Interest and fees	36,291	36,291	36,291	-
Total debt service	701,381	701,381	916,256	(214,875)
Total expenditures	27,758,828	29,187,097	29,488,083	(300,986)
EXCESS OF REVENUES OVER EXPENDITURES	(379,344)	(665,093)	2,325,411	2,990,504

City of Weslaco, Texas
Schedule of Revenues, Expenditures and
Changes in Fund Balance- Budget and Actual
General Fund- Continued

For the Year Ended September 30, 2020

	Original	Budget Final	Actual	Variance Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 48,095	\$ 48,095	\$ -	\$ (48,095)
Transfers in	1,690,561	1,690,561	2,683,817	993,256
Transfers out	(1,370,000)	(1,610,000)	(2,315,086)	705,086
Total other financing sources	368,656	128,656	368,731	240,075
NET CHANGE IN FUND BALANCE	\$ (10,688)	\$ (536,437)	2,694,142	\$ 3,230,579
Fund balance -- beginning			10,844,329	
Prior period adjustment			(1,493,649)	
Fund balances at beginning of year, adjusted			9,350,680	
Fund balance -- ending			\$ 12,044,822	

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Weslaco, Texas

Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System

<i>For the Plan Years Ended December 31,</i>	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 1,548,576	\$ 1,489,094	\$ 1,511,814	\$ 1,414,112	\$ 1,184,809	\$ 1,162,103
Interest (on the total pension liability)	3,140,037	2,968,169	2,805,747	2,738,324	2,603,802	2,504,972
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(156,422)	155,641	93,970	(1,124,865)	734,282	(303,648)
Changes of assumptions	112,715	-	-	-	828,135	-
Benefit payments, including refunds of employee contributions	(2,117,240)	(2,075,643)	(1,912,199)	(2,242,933)	(1,947,228)	(1,978,636)
Net change in total pension liability	2,527,666	2,537,261	2,499,332	784,638	3,403,800	1,384,791
Total pension liability – beginning	46,803,406	44,266,145	41,766,813	40,982,175	37,578,375	36,193,584
Total pension liability – ending (a)	\$ 49,331,072	\$ 46,803,406	\$ 44,266,145	\$ 41,766,813	\$ 40,982,175	\$ 37,578,375
Plan Fiduciary Net Position						
Contributions – employer	871,252	\$ 833,181	\$ 741,999	\$ 572,328	\$ 561,365	\$ 542,202
Contributions – employee	761,861	729,948	710,237	662,199	611,176	591,732
Net investment income	5,707,131	(1,157,250)	4,762,284	2,240,914	50,055	1,882,469
Benefit payments, including refunds of employee contributions	(2,117,240)	(2,075,643)	(1,912,199)	(2,242,933)	(1,947,228)	(1,978,636)
Administrative expense	(32,286)	(22,377)	(24,692)	(25,318)	(30,493)	(19,657)
Other	(971)	(1,169)	(1,251)	(1,365)	(1,506)	(1,616)
Net change in plan fiduciary net position	5,189,747	(1,693,310)	4,276,378	1,205,825	(756,631)	1,016,494
Plan fiduciary net position – beginning	36,960,062	38,653,372	34,376,994	33,171,169	33,927,800	32,911,306
Plan fiduciary net position – ending (b)	\$ 42,149,809	\$ 36,960,062	\$ 38,653,372	\$ 34,376,994	\$ 33,171,169	\$ 33,927,800
Net Pension Liability – Ending (a) – (b)	\$ 7,181,263	\$ 9,843,344	\$ 5,612,773	\$ 7,389,819	\$ 7,811,006	\$ 3,650,575
Plan fiduciary net position as a percentage of total pension liability	85.44%	78.97%	87.32%	82.31%	80.94%	90.29%
Covered payroll	\$ 10,851,968	\$ 10,427,824	\$ 10,119,236	\$ 9,452,621	\$ 8,731,090	\$ 8,453,317
Net pension liability as a percentage of covered payroll	66.17%	94.39%	55.47%	78.18%	89.46%	43.19%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas

Schedule of Changes in Net Pension Liability and Related Ratios- Firemen's Pension

<i>For the Plan Years Ended September 30,</i>	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 555,465	\$ 497,258	\$ 463,644	\$ 421,208	\$ 398,097	
Interest (on the total pension liability)	1,159,947	1,087,522	995,631	848,579	845,051	
Changes of benefit terms	-	-	445,218	427,638	-	
Difference between expected and actual experience	-	(99,445)	-	479,811	-	
Changes of assumptions	-	-	-	(226,052)	-	
Benefit payments, including refunds of employee contributions	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)	
Net change in total pension liability	883,277	721,155	1,356,331	1,305,888	409,225	
Total pension liability – beginning	15,852,587	15,131,432	13,775,101	12,469,213	12,059,988	
Total pension liability – ending (a)	\$ 16,735,864	\$ 15,852,587	\$ 15,131,432	\$ 13,775,101	\$ 12,469,213	
Plan Fiduciary Net Position						
Contributions – employer	\$ 519,826	\$ 516,557	\$ 483,771	\$ 440,112	\$ 394,360	
Contributions – employee	513,232	509,963	476,078	425,463	388,865	
Net investment income	207,493	928,177	882,963	755,912	(127,198)	
Benefit payments, including refunds of employee contributions	(832,135)	(764,180)	(548,162)	(645,296)	(833,923)	
Administrative expense	(55,756)	(42,719)	(51,417)	(45,252)	(85,190)	
Other	-	-	-	-	-	
Net change in plan fiduciary net position	352,660	1,147,798	1,243,233	930,939	(263,086)	
Plan fiduciary net position – beginning	11,577,179	10,429,381	9,186,148	8,255,209	8,518,295	
Plan fiduciary net position – ending (b)	\$ 11,929,839	\$ 11,577,179	\$ 10,429,381	\$ 9,186,148	\$ 8,255,209	
Net Pension Liability – Ending (a) – (b)	\$ 4,806,025	\$ 4,275,408	\$ 4,702,051	\$ 4,588,953	\$ 4,214,004	
Plan fiduciary net position as a percentage of total pension liability	71.28%	73.03%	68.93%	66.69%	66.20%	
Covered payroll	\$ 4,276,933	\$ 4,249,692	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208	
Net pension liability as a percentage of covered payroll	112.37%	100.61%	118.52%	129.43%	135.10%	

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas
Schedule of Contributions
For Texas Municipal Retirement System Pension Plan and
Firemen's Pension Plan

<i>For the years ended September 30,</i>	2020	2019	2018	2017	2016	2015
Primary Government- Texas Municipal Retirement System						
Actuarial determined contribution	\$ 946,759	\$ 858,290	\$ 817,077	\$ 714,301	\$ 613,090	\$ 562,443
Contributions in relation to actuarially determined contribution	(946,759)	(858,290)	(817,077)	(714,301)	(613,090)	(562,443)
Contribution deficiency (excess)	-	-	-	-	-	-

Covered payroll	\$ 11,267,095	\$ 10,731,656	\$ 10,428,523	\$ 9,900,449	\$ 9,710,623	\$ 8,538,660
Contributions as a percentage of covered payroll	8.40%	8.00%	7.84%	7.21%	6.31%	6.59%

<i>For the years ended September 30,</i>	2019	2019	2018	2017	2016	2015
Primary Government- Firemen's Pension						
Actuarial determined contribution	\$ -	\$ 513,232	\$ 516,557	\$ 476,078	\$ 425,463	\$ 379,251
Contributions in relation to actuarially determined contribution	-	(519,826)	(516,557)	(483,771)	(440,112)	(394,360)
Contribution deficiency (excess)	-	(6,594)	-	(7,693)	(14,649)	(15,109)
Covered payroll	\$ -	\$ 4,276,933	\$ 4,249,692	\$ 3,967,317	\$ 3,545,525	\$ 3,119,208
Contributions as a percentage of covered payroll	#DIV/0!	12.00%	12.16%	12.00%	12.00%	12.16%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

City of Weslaco, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement System- Supplemental Death Benefits Fund

For the Plan Year ended December 30,	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 24,960	\$ 27,112	\$ 22,262
Interest (on the total OPEB liability)	26,224	24,287	23,866
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(15,235)	(19,296)	-
Change of assumptions	144,552	(52,100)	60,004
Benefit payments, including refunds of employee contributions	(5,425)	(6,257)	(6,072)
Net Change in Total OPEB Liability	175,076	(26,254)	100,060
Total OPEB Liability - Beginning	697,077	723,331	623,272
Total OPEB Liability - Ending (a)	\$ 872,153	\$ 697,077	\$ 723,332
 Covered Employee Payroll	 \$10,851,968	 \$10,427,824	 \$10,119,236
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 8.04%	 6.68%	 7.15%

Notes to Schedule:

- (1) Schedule is intended to show 10 years. Additional years will be presented as the information becomes available.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- (3) Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

City of Weslaco, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios
Firefighter Retiree Health Care Plan

For the Plan Year ended September 30,	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 194,173	\$ 148,081	\$ 152,688
Interest (on the total OPEB liability)	72,446	80,682	69,225
Changes of benefit terms	(847,947)	-	-
Difference between expected and actual experience	15,219	-	-
Change of assumptions	147,060	267,652	(73,262)
Benefit payments, including refunds of employee contributions	(14,704)	(12,780)	(5,084)
Net Change in Total OPEB Liability	(433,753)	483,635	143,567
Total OPEB Liability - Beginning	2,454,914	1,971,279	1,827,712
Total OPEB Liability - Ending (a)	\$ 2,021,161	\$ 2,454,914	\$ 1,971,279
 Covered Employee Payroll	 \$ 4,976,301	 \$ 4,276,933	 \$ 4,249,692
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 40.62%	 57.40%	 46.39%

Notes to Schedule:

- (1) Schedule is intended to show 10 years. Additional years will be presented as the information becomes available.
- (2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- (3) Due to the Firefighter Retiree Health Care Plan being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

City of Weslaco, Texas
Notes to Schedule of Contributions
For Texas Municipal Retirement System Pension Plan and
Firemen's Pension Plan

Texas Municipal Retirement System Pension Plan

Valuation Date: Actuarially determined contribution rates are calculated as December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience – based table based on rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Other Information:	1) Granted 30% ad hoc COLA. 2) Granted 50% ad hoc USC with transfer.

Firemen's Pension

Contributions to the fund are based on negotiations between the members and the City rather than an actuarially determined rate. The funding policy of the Weslaco Firemen's Relief and Retirement Fund requires contributions from both the City and the firefighters. The City's contribution rate is currently 12.0% of member payroll for firefighters. Each active member contributes 12.0% of member payroll.

The longevity benefit was increased to \$132 per month and there was a one-time ad hoc COLA adjustment of 1% per year for number of years receiving pension during period 2000-2010, with maximum COLA increase of 10% and a minimum increase of \$50 per month. There have been no other plan changes since the prior valuation.

There were no changes to actuarial methods since the prior valuation. The mortality assumption was updated to the RP-2014 mortality tables projected back to 2006 with mortality improvement scale MP-2014 and forward on a generational basis with Scale MP-2016. The voluntary firefighters are no longer being valued as they are not expected to accrue additional service. There have been no other assumption changes since the prior valuation.

City of Weslaco, Texas
Notes to Required Supplementary Information

Budgetary Information

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) The city manager prepares a proposed budget for the next succeeding fiscal year and submits it to the Commission prior to October 1. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the tax rates levied by the commission.
- d) The city manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the General, Hotel/Motel Tax - Special Revenue, Debt Service Fund, and Capital Improvement Program and Fire Department Equipment Replacement- capital project funds. In addition, the Water and Wastewater, Solid Waste, and Airport Proprietary Funds and the Equipment Replacement Internal Service Fund also employ formal budgetary integration as a management control device during the year. Budgets for these funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).
- f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, and certain intragovernment amounts.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

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**CITY OF WESLACO, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2021
IN THE ORIGINAL PRINCIPAL AMOUNT OF \$ _____**

We have acted as “Bond Counsel” to the City of Weslaco, Texas (the “City”) in connection with the issuance of the City of Weslaco, Texas Certificates of Obligation, Series 2021 described above (the “Certificates”) for the purpose of rendering an opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Certificates from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the City, the sufficiency of the ad valorem tax revenues or the revenues of the City’s waterworks and sewer system for the payment of Certificates, or the disclosure thereof in connection with the sale of the Certificates. We have relied solely on information and certifications furnished to us by the City with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the City.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Certificates that contains certified copies of certain proceedings of the City Commission of the City (the “Commission”); an ordinance of the Commission authorizing the Certificates adopted on May 4, 2021 (the “Ordinance”); the Purchase Contract, dated May __, 2021, between the Underwriters named therein and the City; the approving opinion of the Attorney General of the State of Texas; and customary certificates of officers, agents, and representatives of the City (including a “Federal Tax Certificate”) and other public officials; and other documents relating to the issuance of the Certificates. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the “Service”) as we have deemed relevant. We have also examined executed Certificate No. I-1.

Based on said examination and in accordance with customary legal opinion practice, it is our opinion that:

1. The City is a validly existing political subdivision of the State of Texas with power to adopt the Ordinance, perform its agreements therein, and issue the Certificates.
2. The Certificates have been authorized, sold, and delivered in accordance with law.
3. The Certificates constitute valid and legally binding obligations of the City enforceable in accordance with their terms except as the enforceability thereof may be limited by sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors’ rights generally.

4. Ad valorem taxes, within the limit prescribed by law, upon all taxable property within the City, necessary to pay the interest on and principal of the Certificates, have been pledged irrevocably for such purpose. Certain revenues, in an amount not to exceed \$1,000, derived from the City's waterworks and sewer system have also been pledged on a subordinate basis to pay the principal of and interest on the Certificates, as described in the Ordinance.

5. Interest on the Certificates will be excludable from gross income for federal income tax purposes under section 103 of the Code, and the Certificates will not be treated as "private activity bonds" within the meaning of section 141 of the Code. Interest on the Certificates will not be included as an alternative minimum tax preference item.

In rendering these opinions, we have relied upon representations and certifications of the City, the City's financial advisor, and the underwriters of the Certificates with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the City with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Certificates for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the City fails to comply with the foregoing covenants, interest on the Certificates could become includable in gross income retroactively to the date of issuance of the Certificates, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Certificates.

We call your attention to the fact that the ownership of obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization, investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Certificates. If such an audit is commenced, under current procedures, the Service would treat the City as the taxpayer, and owners of the Certificates would have no right to participate in the audit process. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that, if taken or omitted, respectively, may result in the treatment of interest on the Certificates as includable in gross income for federal income tax purposes.

The opinions set forth above are based on existing laws of the United States (including statutes, regulations, published rulings, and court decisions) and the State of Texas, which are subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Certificates or the marketability of the Certificates.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

ORDINANCE 2021-15

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF WESLACO, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2021”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND OTHER MATTERS RELATED THERETO

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EXHIBIT A – Paying Agent/Registrar Agreement

EXHIBIT B – Description of Annual Financial Information

ORDINANCE 2021-15

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF WESLACO, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2021"; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND OTHER MATTERS RELATED THERETO

WHEREAS, the City Commission of the City of Weslaco (the "Issuer" or the "City") deems it advisable to issue Certificates of Obligation hereinafter described (the "Certificates") for the purposes specified in Section 1 hereof;

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to the Certificate of Obligation Act of 1971, Section 271.041 et seq, Texas Local Government Code (the "Act");

WHEREAS, notice of intention to issue the Certificates has been duly published in *The Monitor*, which is a newspaper of general circulation in the City, in its issues of March 8, 2021 and March 15, 2021, the date of the first publication being at least 30 days prior to the tentative date stated in the notice for passage of this Ordinance, such action being hereby ratified and approved;

WHEREAS, the City has received no petition from the qualified electors of the City protesting the issuance of the Certificates; and

WHEREAS, the City Commission of the City desires to issue the Certificates under the Act, the proceeds of which are to be used for the purposes described below;

WHEREAS, it is considered to be in the best interest of the City that the Certificates be issued and the terms hereafter provided are the most reasonable available and are hereby determined by the City Commission to be in the best interest of the City.

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

Section 1. Authorization of the Certificates. There is hereby authorized to be issued and delivered, a series of certificates of the City to be known as "CITY OF WESLACO, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2021" (the "Certificates") in the original aggregate principal amount of \$_____, primarily payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a limited pledge of the Pledged Revenues (defined herein), for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, specifically being: (1) fire station, police station and library and projects related thereto or necessary therefor, and (2) payment of contractual obligations for professional services in connection therewith (to wit: architectural, engineering, financial advisory, and legal).

Section 2. Designation, Date, Denominations, Numbers, and Maturities of the Certificates. The Certificates shall be dated as of April 15, 2021 shall be in denominations of \$5,000 each or any integral multiple thereof, shall be numbered I-1 for the Initial Certificate and consecutively from R-1 upward for the Definitive Certificates and shall mature on February 15 in each of the years as provided below unless theretofore called for redemption prior to maturity in accordance with the provisions of the Form of the Certificates contained in Section 6 hereof, and the Certificates shall bear interest at the rates per annum shown below from the date of initial delivery and payable on August 15, 2021 and on each August 15 and February 15 thereafter through the respective maturity date or earlier redemption, to wit:

<u>Years of Stated Maturity (February 15)</u>	<u>Principal Installment (\$)</u>	<u>Interest Rate (%)</u>	<u>Years of Stated Maturity (February 15)</u>	<u>Principal Installment (\$)</u>	<u>Interest Rate (%)</u>
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		

Section 3. Paying Agent/Registrar. The principal of and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of and interest on the Certificates shall be without exchange or collection charges to the Owner (as hereinafter defined) of the Certificates.

The selection and appointment of BOKF, NA, Dallas, Texas, to serve as the initial Paying Agent/Registrar for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the "Register") for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The Paying Agent/Registrar has agreed to keep a copy of the Register at its offices, or its agent's offices, located in Houston, Texas. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Owner of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Both principal of and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Register (the "Owner" or "Owners") maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, and (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity. The City and the

Paying Agent/Registrar, and any agent of either, shall treat the Owner as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Owner whose name appears in the Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Certificates (the "Record Date") and shall be paid (i) by check sent by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Owner appearing in the Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Owner at the Owner's risk and expense.

If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, 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 day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

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 interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the Special Payment Date - which shall be 15 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 each Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 4. Right of Prior Redemption. (a) Optional Redemption. The City reserves the right to redeem the Certificates maturing on or after February 15, 20__, in whole or in part in principal amount of \$5,000 or an integral multiple thereof, on February 15, 20__, or any date thereafter, at the redemption price of par plus interest accrued to the specific date of redemption, and shall direct the Paying Agent/Registrar to call by lot Certificates, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) Mandatory Redemption. The Certificates maturing on February 15 in each of the years ____ and ____ is subject to mandatory redemption as described in the Form of Certificates in Section 6 hereof.

(c) Notice of Redemption. Notice of any redemption shall be given as provided in the FORM OF CERTIFICATES included in Section 6 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Certificates, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Register all such redemptions of principal of the Certificates or any portion thereof. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates, or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates, or the portions thereof which are to be so redeemed, thereby

automatically shall be redeemed prior to their scheduled maturities and shall not bear interest after the date fixed for their redemption and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the City all as provided in this Ordinance.

Section 5. Initial Certificate; Exchange or Transfer of Certificate. Initially, one Certificate (the "Initial Certificate") numbered I-1 and being in the principal amount of the Certificate shall be registered in the name of the Initial Purchaser and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature, and the Initial Certificate shall be effective and valid without the Authentication Certificate being signed by the Paying Agent/Registrar. At any time thereafter, the Owner may deliver the Initial Certificate to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or designee designating the persons, maturities, and principal amounts to and in which the Initial Certificate is to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than three days, register and deliver such Certificates upon authorization of the City as provided in such instructions.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon presentation of any Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefore, to the extent possible and under reasonable circumstances within three business days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

All Certificates shall be exchangeable upon presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with this Ordinance and each Certificate so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

Section 6. General Characteristics and Form of the Certificates. The Certificates shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Certificates shall be sealed) all as provided and in the manner indicated in the form set forth below. The Form of the Certificates, the Form of the Registration of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on each of the Initial Certificate, the Form of the Authentication, and the Form of Assignment,

which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Ordinance, and the definitions contained within each such form shall apply solely to such form:

FORM OF DEFINITIVE CERTIFICATE

R-_____
REGISTERED

\$_____
REGISTERED

United States of America
State of Texas
CITY OF WESLACO, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2021

<u>DATED DATE:</u>	<u>INTEREST</u> <u>RATE:</u>	<u>MATURITY</u> <u>DATE:</u>	<u>CUISP</u> <u>NUMBER:</u>
April 15, 2021	_____%	February 15, ____	950868 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS
(\$_____)

THE CITY OF WESLACO, TEXAS (the "City"), a body corporate and municipal corporation located in the County of Hidalgo, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof (the "Owner"), on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until such principal sum has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year commencing August 15, 2021.

PRINCIPAL OF THIS CERTIFICATE shall be payable to the Owner (the "Owner"), upon presentation and surrender, at the corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States mail, first-class postage prepaid, to the Owner hereof at the address appearing in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Owner hereof at the Owner's risk and expense.

THIS CERTIFICATE is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the "Certificates") pursuant to an Ordinance adopted by the governing body of the City (the "Ordinance"), for the purpose of providing for the payment of contractual obligations to be

incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, specifically being: (1) drainage projects and projects related thereto or necessary therefor, and (2) payment of contractual obligations for professional services in connection therewith (to wit: architectural, engineering, financial advisory, and legal).

THE CERTIFICATES of this series scheduled to mature on and after February 15, 20__ may be redeemed prior to their scheduled maturities, in whole or part, in principal amounts of \$5,000 or any integral multiple thereof, at the option of the City, on February 15 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

THE CERTIFICATES MATURING IN ____ and ____ (the "Term Certificates") shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption) on February 15, in each of the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
-------------	---------------	-------------	---------------

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
-------------	---------------	-------------	---------------

*Final Maturity

AT LEAST 45 days prior to the mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the Term Certificates to be redeemed. Any Term Certificates, or a portion thereof, not selected for prior redemption shall be paid on the date of final maturity. To the extent, however, that the Term Certificates of a maturity which at least 45 days prior to a mandatory redemption date (i) have been previously purchased by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments shall be reduced by the amount obtained by multiplying the principal amount of the Term Certificates of such maturity so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment bears to the total sinking fund payments for such maturity, and by rounding each such payment to the nearest \$5,000 integral.

NOTICE OF ANY REDEMPTION shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the Owner of each Certificate, or portion thereof to be redeemed, at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption, due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Certificate, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest

to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/ Registrar shall record in the Registration Books all such redemptions of principal of this Certificate or any portion hereof. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF THE DATE for the payment of the principal of or interest on the Certificates 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 business day; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THE CERTIFICATES OF THIS SERIES are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues as defined in the Ordinance, such pledge being a limited amount of the Net Revenues, in an amount not to exceed \$1,000, derived from the operation of the City's waterworks sewer system (the "System"), such lien on and pledge of the Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of any Prior Lien Obligations and Subordinate Lien Obligations issued by the City. The City previously authorized the issuance of the currently outstanding Prior Lien Obligations and Subordinate Lien Obligations (which are payable, in part, from and secured by a lien on and pledge of a limited amount of the Net Revenues) in the manner provided in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and Subordinate Lien Obligations. In the Ordinance, the City reserves and retains the right to issue Additional Prior Lien Obligations, Additional Subordinate Lien Obligations, and Additional Limited Pledge Obligations, while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise. Capitalized terms used herein have the same meanings assigned in the Ordinance.

REFERENCE IS HEREBY MADE to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue additional Prior Lien Obligations, Additional Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Owner; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance.

THIS CERTIFICATE, subject to certain limitations contained in the Ordinance, may be transferred at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Owner hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

THE CITY AND THE PAYING AGENT/REGISTRAR, and any agent of either, shall treat the Owner hereof whose name appears on the Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. 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 interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" - which shall be 15 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 each Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Certificates does not exceed any constitutional or statutory limitation. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, this Certificate 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 Certificate.

CITY OF WESLACO, TEXAS

City Secretary

Mayor

(CITY SEAL)

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS*

***Attach to or print on Initial Certificate only**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has examined and finds that this Certificate has been issued in conformity with the Constitution and laws of the State of Texas and is a valid and binding obligation of the City of Weslaco, Texas, and further that this Certificate has been registered this day by me.

WITNESS my signature and seal of office this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

* * *

FORM OF AUTHENTICATION CERTIFICATE

***Attach to or print on definitive Certificate only**

AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Ordinance, and this Certificate has been issued in conversion of and exchange for, or replacement of, a Certificate, Certificates, or a portion of a Certificate or Certificates of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA
Dallas, Texas
as Paying Agent/Registrar

Registration Date: _____

By _____
Authorized Signature

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/ _____ /

(Please insert Social Security or Taxpayer
Identification Number of Transferee)

(Please print or typewrite name and address, including zip code, of
Transferee)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

The following abbreviations, when used in the Assignment above or on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

* * *

FORM OF INITIAL CERTIFICATE

The Initial Certificate shall be in the form set forth above for the Definitive Certificate, except the following shall replace the first two paragraphs:

NO. I-1

\$ _____

United States of America
State of Texas
CITY OF WESLACO, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2021

DATED DATE: APRIL 15, 2021

DELIVERY DATE: MAY 27, 2021

REGISTERED OWNER: FROST BANK

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THE CITY OF WESLACO, TEXAS (the "City"), a body corporate and municipal corporation in the County of Hidalgo, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof (the "Owner"), the Principal Amount specified above stated to mature on the fifteenth day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>YEAR OF</u> <u>STATED MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>
--	---	------------------------------------

(Information to be inserted from schedule in Section 2 hereof.)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the delivery date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing August 15, 2021.

PRINCIPAL OF THIS CERTIFICATE shall be payable to the Owner hereof upon its presentation and surrender, at the corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest shall be payable to the Owner of this Certificate whose name appears on the "Register" maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last day of the month next preceding each interest payment date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Owner hereof at the address appearing in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Owner hereof.

* * *

[END OF FORMS]

Section 7. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 25 of this Ordinance have the meanings assigned to them in Section 25 of this Ordinance, and all such terms include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein,” “hereof,” and “hereunder,” and other words of similar import, refer to this Ordinance as a whole and not to any particular Section or other subdivision.

“Additional Limited Pledge Obligations” means (i) any bonds, certificates, warrants, certificates or other obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a limited pledge of and lien on Net Revenues on a parity with the Limited Pledge Obligations, which pledge of revenues all as further provided in Section 18 of this Ordinance and (ii) any obligations issued to refund the foregoing as determined by the City Commission in accordance with any applicable law.

“Additional Prior Lien Obligation means (i) any bonds, certificates, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues on a parity with the Prior Lien Obligations, all as further provided in Section 18 of this Ordinance, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a subordinate lien on and pledge of the Net Revenues as determined by the City Commission in accordance with any applicable law.

“Additional Subordinate Lien Obligations” means (i) any bonds, certificates, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues, all as further provided in Section 18 of this Ordinance on a parity with the Subordinate Lien Obligations, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a subordinate lien on and pledge of the Net Revenues as determined by the City Commission in accordance with any applicable law.

“City” means the City of Weslaco, located in Hidalgo County, Texas and, where appropriate, the City Commission of the City.

“Certificates” means the \$ _____ “CITY OF WESLACO, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2021” authorized by this Ordinance.

“Certificate Fund” means the special fund created and established by the provisions of Section 8 of this Ordinance.

“Closing Date” means the date of physical delivery of the Initial Certificate in exchange for the payment of the agreed purchase price for the Certificates.

“Collection Date” shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

“Debt Service Requirement” shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed

numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

“Depository” shall mean an official depository bank of the City.

“Fiscal Year” means the annual financial accounting period for the System now ending on September 30th of each year; provided, however, that the City Commission may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

“Government Securities”, as used herein, means direct noncallable obligations of the United States, including (i) obligations that are unconditionally guaranteed by, the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than “AAA” or its equivalent.

“Gross Revenues” shall mean all of the revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System.

“Owner” or “Owners” shall mean the registered owner, whose name appears in the Register, for any Certificate.

“Initial Purchaser” means Frost Bank, as the representative of a group of underwriters including Estrada Hinojosa & Company, Inc. and Raymond James & Associates, Inc.

“Interest Payment Date” means the date semiannual interest is payable on the Certificates, being February 15 and August 15 of each year, commencing August 15, 2021, while any of the Certificates remain Outstanding.

“Limited Pledge Obligations” means the Certificates and any Additional Limited Pledge Obligations.

“Maintenance and Operating Expenses” means all reasonable and necessary expenses required for the efficient operation and maintenance of the System as authorized by the provisions of Section 1502.056 of the Texas Government Code, as amended, including, without limitation, administrative expenses, management fees, salaries, labor fees, materials, contractual and professional services necessary for keeping the System in good condition and working order, making all needed repairs, and providing for all needed periodic and non-recurring items of maintenance, as in the judgment of the City Commission, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining Net Revenues.

“Net Revenues” means all gross revenues of the System after deducting the Maintenance and Operating Expenses of the System, including all salaries, labor, material, repairs, and extensions necessary to render efficient services. Depreciation and payments into and out of the Interest and Sinking Fund, and the Reserve Fund shall never be considered as expenses of operation and maintenance.

“Ordinance” means this “Ordinance Authorizing the Issuance of City of Weslaco, Texas Certificates of Obligation, Series 2021; a Paying Agent/Registrar Agreement; and Other Matters Related Thereto.”

“Outstanding” when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates issued and delivered under this Ordinance, except those Certificates:

(a) canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(b) for which payment has been duly provided by the City in accordance with the provisions of Section 29 of this Ordinance; and

(c) that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided by this Ordinance.

“Pledged Revenues” means, while the Certificates remain Outstanding, the Net Revenues remaining, in an amount not to exceed \$1,000, after payment of the Prior Lien Obligations and Subordinate Lien Obligations. The Pledged Revenues will be deposited, allocated, and expended in accordance with Section 8 of this Ordinance.

“Prior Lien Obligations” means the (i) “City of Weslaco, Texas Refunding Bonds, Series 2010”, dated December 15, 2011 originally issued in the aggregate principal amount of \$8,500,000, and any other Additional Prior Lien Obligations, all as further provided in Section 18 of this Ordinance and (ii) any obligations issued to refund the foregoing that are payable from and secured by a prior and first lien on and pledge of the Net Revenues as determined by the City Commission in accordance with any applicable law.

“Series 2012 Certificates” means (i) the currently outstanding and unpaid Certificates payable from ad valorem taxes and additionally payable from and secured by a lien on and subordinate pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 2012 Certificates), more particularly described as the “City of Weslaco, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012,” dated January 15, 2012, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Commission in accordance with any applicable law.

“Series 2013 Certificates” means (i) the currently outstanding and unpaid Certificates payable from ad valorem taxes and additionally payable from and secured by a lien on and subordinate pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 2013 Certificates), more particularly described as the “City of Weslaco, Texas Combination Tax and Revenue Certificates of Obligation, Series 2013,” dated August 15, 2013, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Commission in accordance with any applicable law.

“Series 2014 Certificates” means (i) the currently outstanding and unpaid Certificates payable from ad valorem taxes and additionally payable from and secured by a lien on and subordinate pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 2014 Certificates), more particularly described as the “City of Weslaco, Texas Combination Tax and Revenue

Certificates of Obligation, Series 2014,” dated March 1, 2014, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Commission in accordance with any applicable law.

“Stated Maturity” means the annual principal payments of the Certificates payable on February 15 of each year the Certificates are Outstanding as set forth in Section 2 of this Ordinance.

“Subordinate Lien Obligations” means the (i) the Certificates; (ii) the Series 2014 Certificates; (iii) Series 2013 Certificates; and (iv) Series 2012 Certificates when issued, and any Additional Subordinate Lien Obligations.

“System” means the City’s entire existing waterworks and sewer system, together with all future extensions, enlargements, additions, replacements, and improvements thereto.

“System Fund” means the fund described in Section 13.

Section 8. Certificate Fund; Project Fund. (a) Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “CERTIFICATES OF OBLIGATION, SERIES 2021, INTEREST AND SINKING FUND” (the “Certificate Fund”), which fund shall be kept and maintained at the Depository, and money deposited in such fund shall be used for no other purpose and shall be maintained as provided in Section 25. Authorized officials of the City are hereby authorized and directed to make withdrawals from said fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the fifteenth day next preceding each interest and principal payment date for the Certificates.

The City, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of any Prior Lien Obligations and Subordinate Lien Obligations issued by the City, and any amounts budgeted to be paid there from in such Fiscal Year, shall deposit the Pledged Revenues to the Certificate Fund. The Pledged Revenues, if deposited, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. The Pledged Revenues shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Premium, if any, received from the Initial Purchaser of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

(b) Project Fund. A special “City of Weslaco, Texas Certificates of Obligation, Series 2021 Project Fund” (the “Project Fund”) is hereby created and shall be established and maintained by the City at the Depository. The Project Fund is the fund into which the net proceeds excluding premium, if any, of the Certificates shall be deposited, and money in the Project Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Certificates are issued. Accrued interest and premium, if any, shall be deposited into the Certificate Fund.

Section 9. Investments and Security. (a) Investment of Funds. Except as otherwise provided herein, the City may place money in any fund created by this Ordinance in time or demand deposits or invest such money as authorized by the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, consistent with the investment policy approved by the City; provided, however, that the City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in a fund shall be deemed to be a part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Project Fund may only be used for one of the purposes for which the Certificates have been issued or deposited in the Certificate Fund. Any amounts received from the investment of the Certificate Fund shall be deposited in the Certificate Fund.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

(d) Remaining Funds. Any amounts remaining in the Project Fund after the purposes for which the Certificates are issued have been accomplished shall be deposited to the Certificate Fund and the Project Fund shall be closed.

Section 10. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the proceeds of ad valorem taxes thereto as well as the pledge of the Pledged Revenues additionally securing the Certificates and such pledges are, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledges of the ad valorem taxes and Pledged Revenues are to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in such pledges, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledges to occur.

Section 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Commission hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Commission establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Commission shall determine:

(i) the amount of Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year; provided, however, that funds in satisfaction of the constitutional annual sinking fund requirement as heretofore provided in this Section 11 must be collected and deposited in the Certificate Fund each year.

(ii) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(iii) the amount of Pledged Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (i) above less the sum total of the amounts established in paragraphs (ii) and (iii), after taking into consideration delinquencies and costs of collecting such annual taxes.

Section 12. Pledge of Revenues. The City hereby covenants and agrees that, subject to any prior lien on and pledge of the Net Revenues of the System to the payment and security of (i) any Prior Lien Obligations and Subordinate Lien Obligations, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

Section 13. System Fund. The City hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the City and shall be deposited as collected into the "CITY OF WESLACO, TEXAS WATERWORKS AND SEWER SYSTEM FUND" (the "System Fund"). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

First: To the payment of the reasonable and proper Maintenance and Operating Expenses required by statute or ordinances authorizing the issuance of any indebtedness of the City to be a first charge on and claim against the Gross Revenues;

Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Prior Lien Obligations;

Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Subordinate Lien Obligations; and

Fourth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of any Limited Pledge Obligations and any Additional Limited Pledge Obligations, hereafter issued by the City.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security, and benefit thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

Section 14. Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 15. Maintenance of System - Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, shall be retained for the benefit of the Owners of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within 90 days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

Section 16. Rates and Charges. The City hereby covenants and agrees with the Owners of the Certificates that rates and charges for water and sewer services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

(a) to pay all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses;

(b) to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Obligations issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (ii) the interest on and principal of any Subordinate Lien Obligations as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iii) the amounts that may be deposited in the special funds established for the payment of the Limited Pledge Obligations;

(c) to pay other legally incurred indebtedness payable from the Net Revenues and/or secured by a lien on the System or the Net Revenues thereof; and

(d) deposit as collected all revenues derived from the operation of the System into the System Fund.

Section 17. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or

performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Owners of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

Section 18. Issuance of Additional Prior Lien Obligations, Additional Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The City hereby expressly reserves the right to hereafter issue bonds, certificates, warrants, certificates, or other obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

(a) Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System in accordance with any ordinances authorizing any Prior Lien Obligations;

(b) Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of any Prior Lien Obligations issued and hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the Limited Pledge Obligations; and

(c) Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph:

Prior Lien Obligations and Subordinate Lien Obligations, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the Owners of the Prior Lien Obligations, the Subordinate Lien Obligations, or the Limited Pledge Obligations) upon such terms and conditions as the City Commission may determine. Limited Pledge Obligations, shall not in any event be construed to be payable from the Net Revenues authorized by the ordinances authorizing the issuance of the Prior Lien Obligations or Subordinate Lien Obligations to be budgeted and appropriated for the payment of the Prior Lien Obligations or Prior Subordinate Lien Obligations, as appropriate. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of any Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of any Prior Lien Obligations and Subordinate Lien Obligations.

Section 19. Special Covenants. The City hereby further covenants that:

(a) it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under the Act, and the City's Home Rule Charter;

(b) other than for the payment of the currently outstanding Prior Lien Obligations, Subordinate Lien Obligations and Limited Pledge Obligations, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System;

(c) as long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease, or encumber (except in the manner provided in Section 19 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

(d) to the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing waterworks and sewer systems other than those owned by the City, and the operation of any such systems by anyone other than the City is hereby prohibited; and

(e) no free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

Section 20. Application of the Covenants and Agreements of the Prior Lien Obligations and Subordinate Lien Obligations. It is the intention of the City Commission and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of any Prior Lien Obligations and Subordinate Lien Obligations issued or hereafter issued by the City; provided, however, that the Owners of the Certificates expressly recognize the priority of rights and benefits with respect to the Net Revenues that may be conferred to the Owners of any Prior Lien Obligations and Subordinate Lien Obligations hereafter issued by the City.

Section 21. Notices to Owners, Waiver. Wherever this Ordinance provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Owner as it appears in the Register.

In any case where notice to Owners is given by mail, neither the failure to mail such notice to any particular Owner, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Owners. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 22. Cancellation. All Certificates surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

Section 23. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar

receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the City may require payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

Section 24. Sale of the Certificates; Approval of Official Statement.

(a) (a) Sale. The sale of the Certificates to the Initial Purchaser pursuant to the taking of competitive bids at a price of \$_____ (which amount is equal to par, plus a net original issue premium on the Certificates of \$_____ less Initial Purchaser's discount of \$_____) plus accrued interest to the date of delivery is hereby confirmed. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which resulted in the lowest net effective rate to the City, and delivery of the Certificates to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The officers of the City are hereby authorized and directed to execute and deliver such Certificates, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance. The proceeds from the sale of the Certificates shall be used in the following manner: (i) accrued interest on the Certificates of \$_____, shall be deposited to the credit of the Interest and Sinking Fund; (ii) \$_____ shall be deposited to the credit of the Construction Fund to be used to accomplish the purposes for which the Certificates were issued; and (iii) \$_____ of premium shall be used to pay the costs of issuance for the Certificates.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement dated April 26, 2021, prior to the date hereof is hereby ratified and confirmed. The Commission finds and determines that the Preliminary Official Statement is "deemed final" as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Certificates is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Certificates.

(d) Registration and Delivery. Upon the registration of the Initial Certificate, the Comptroller of Public Accounts of the State of Texas is authorized and instruct to deliver the Initial Certificate pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

Section 25. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except to the extent that it will not cause the Certificates to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(i) own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except as would not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder or except to the extent the City complies with Subsection J of this Section:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after

the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(i) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 48(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(ii) As additional consideration for the purchase of the Certificates by the Underwriters and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iii) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within 180 days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(j) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(k) Certificates Not Hedge Bonds.

(i) The City reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.

(ii) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, City Secretary, or City Attorney, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form, or document.

Section 26. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as “qualified tax-exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during 2017 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Certificates as “qualified tax-exempt obligations.”

Section 27. Book-Entry-Only System. (a) The definitive Certificates shall be initially issued in the name of Cede & Co., as nominee of DTC, as Owner of the Certificates, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Certificates. Beneficial owners of definitive Certificates will not receive physical delivery of Certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Certificates as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Certificates is to receive, hold, or deliver any Certificates. No person shall acquire or hold any beneficial interest in any Certificate representing a portion of the principal amount of such Certificate which is other than \$5,000 or an integral multiple thereof.

Replacement definitive Certificates may be issued directly to beneficial owners of Certificates other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Certificates (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Certificates) that DTC is incapable of discharging its duties as securities depository for the Certificates; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Certificates) that the interests of the beneficial owners of the Certificates might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Certificates, in certificate form, to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Certificates of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Certificates in certificate form to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

(a) Whenever, during the term of the Certificates, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Certificates shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

(b) If at any time DTC ceases to hold the Certificates, all references herein to DTC shall be of no further force or effect.

Section 28. Continuing Disclosure. (a) Annual Reports. The City will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to its Electronic Market Access System (“EMMA”). The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered [1 through 6 and 8 through 10 and in Appendix B.] The City will update and provide this information within six months after the end of each fiscal year ending in and after 2021. The financial information and operating data to be provided may be set forth in full in one or more publicly available documents, as permitted by SEC Rule 15c2-12 (the “Rule”). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Exhibit E or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

(b) Notice of Occurrence of Certain Events. The City will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the federal income tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the City, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any financial obligation of the City, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the City. The City intends the words used in clauses (15) and (16) and the definition of financial obligation in this section to have the meanings ascribed to them in the Securities and Exchange Commission (the “SEC”) Release No. 34-83885, dated August 20, 2018.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (a) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds; (b) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid; or (c) in any other circumstance or manner permitted by the Rule.

Section 29. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Certificates to the Underwriter.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, City Secretary, or City Attorney, either or all, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney

General, and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Initial Purchaser and the initial exchange thereof for definitive Certificates.

Section 30. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Certificate, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a "Defeased Certificate") when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations (defined herein), which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment of any Defeased Certificate. To cause a Certificate scheduled to be paid on a date later than the next scheduled interest payment date on such Certificate to become a Defeased Certificate, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

(b) In connection with any defeasance of the Certificates, the City shall cause to be delivered either: (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the fund established to pay the Defeased Certificates in full on the maturity date thereof (the "Verification"); or (ii) a certificate from the City Manager of the City certifying that the amount deposited with a Depository or into an escrow account is sufficient to pay the Defeased Certificates in full on the maturity date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Certificates are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Certificates. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Certificates shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

(c) At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, and all herein required criteria have been met, such Certificate and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations.

(d) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Certificates and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(e) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

Section 31. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 32. Ordinance a Contract; Amendments; Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Owners from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Owners holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

Section 33. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Owners, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Paying Agent/Registrar, and the Owners.

Section 34. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

Section 35. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 36. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Commission hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 37. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 38. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Commission of the City.

Section 39. Authorization of Paying Agent/Registrar Agreement. The City Commission of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of

a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

Section 40. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 41. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 42. No Recourse Against City. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

Section 43. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates, the Mayor or the City Manager and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 44. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Certificates and that, based upon the principal amount of the Certificates, such fee is \$_____. Bond Counsel is accommodating the City by paying such fee upon submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Certificates are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such payment with proceeds of the Certificates.

Section 45. Titles Not Restrictive. The titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

PASSED AND ADOPTED on May 4, 2021.

CITY OF WESLACO, TEXAS

/s/ David Suarez
Mayor

ATTEST:

/s/ Norma Cantu
City Secretary

(CITY SEAL)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of May 4, 2021 (the “Agreement”), by and between the CITY OF WESLACO, TEXAS (the “City”), and BOKF, NA, Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS OF THE CITY

The City has duly authorized and provided for the issuance of its “CITY OF WESLACO, TEXAS CERTIFICATES OF OBLIGATIONS, SERIES 2021,” in the aggregate principal amount of \$ _____ (the “Securities”), dated April 15, 2021, to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the City, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The City is desirous that the Bank act as the Paying Agent of the City in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The City has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the City, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The City hereby appoints the Bank to act as Paying Agent with respect to the Securities, in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Owner of the Securities.

The City hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the City books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance authorizing the issuance of the Securities.

The Bank hereby accepts its appointment, and agrees to act, as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank’s services as Paying Agent/Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for political subdivisions, which shall be supplied to the City on or before 90 days prior to the close of the Fiscal Year of the City and which shall be effective upon the first day of the following Fiscal Year. The City covenants to provide notice to the Bank upon any change in the City’s

Fiscal Year within ten business days of the governing body of the City's decision to change the Fiscal Year of the City.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

"Bank Office" means the corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the City, in writing, of any change in location of the Bank Office.

"City Request" and "City Order" each mean a written request or order signed in the name of the City by the Mayor or the City Secretary of the City Council of the City and delivered to the Bank.

"Fiscal Year" means the fiscal year of the City, which currently begins on October 1 and ends on September 30 of each year.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Ordinance" means the ordinance of the governing body of the City pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the City, and delivered to the Bank.

"Owner" means a Person in whose name a Security is registered in the Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

"Register" means a register maintained by the Bank on behalf of the City providing for the registration of Securities and of transfers of Securities.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate

trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Stated Maturity” means the date specified in the Ordinance as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “City”, and “Security” have the meanings assigned to them in the opening paragraph of this Agreement or in the Recitals of the City.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the principal and premium, if any, of each Security at its Stated Maturity, Redemption Date, if any, or Acceleration Date, to the Owner upon surrender of the Security to the Bank at its corporate trust operations office located in Houston, Texas.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the interest on each Security when due, by computing the amount of interest to be paid each Owner, preparing the checks and mailing the checks on the payment date, to the Owner of the Securities on the Record Date, addressed to their address appearing on the Register.

Section 3.02. Payment Dates. The City hereby instructs the Bank to pay the principal of and premium, if any, and interest on the Securities on the dates specified in the Ordinance.

ARTICLE IV. REGISTRAR

Section 4.01. Transfer and Exchange. The Bank agrees to keep and maintain for and on behalf of the City at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Register”) for recording the names and addresses of the Owners of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Owners and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Owner thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Owners thereof will be completed and new Securities delivered to the Owner or the assignee of the Owner in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Owner, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities. The City shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Register. The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Owners. The Bank will provide the City at any time requested by the City, upon payment of any required fee, a copy of the information contained in the Register. The City may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the content of the Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the City so that the City may contest the subpoena or court order.

Section 4.05. Return of Cancelled Securities. All Securities surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The City may at any time deliver to the Bank for cancellation any Securities previously authenticated and delivered which the City may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the City at such reasonable intervals as it determines subject to applicable rules and regulations of the Securities and Exchange Commission.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The City hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Owner thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Owner of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to City. The Bank will, within a reasonable time after receipt of written request from the City, furnish the City information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the City as prepared by the City's co-financial advisors or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by one of the financial advisors or the City as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Transfer of Funds. The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the City as prepared by the City's Co-Financial Advisor(s) or other agent.

Section 5.03. Reliance on Documents, etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have foregoing statement, the Bank need not to examine the ownership of any Securities but is protected in acting upon receipt of Securities

containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an agent of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the City.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.04. Recitals of City. The recitals contained herein and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the City, any Owner or Owners of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.05. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar or any other agent.

Section 5.06. Money Held by Bank. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Owners of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Owners shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts or checks drawn by the City and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Ordinance to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the

Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.07. Indemnification. The City agrees, to the extent permitted by law, to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.08. Interpleader. The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County or Counties where either the Bank (Texas offices only) or the City is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.03 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming interest herein.

Section 5.09. Depository Trust Company. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the City shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Certificate of Interested Parties Form 1295. The Bank represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Bank is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

Section 6.11. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities. Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the City.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12. Anti Boycott Verification. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank

understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13. Iran, Sudan, and Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Bank nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.14. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF WESLACO, TEXAS

Address:

By: _____
Title: Mayor
255 South Kansas Avenue
Weslaco, Texas 78596

[SEAL]

Attest:

Title: City Secretary

Attest:

BOKF, NA

By _____

By _____

Title _____

Title _____

(BANK SEAL)

Address: 5959 Sherry Lane, Suite 1201
Dallas, Texas 75225

EXHIBIT A

Fee Schedule

EXHIBIT B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 27 of this Ordinance.

Annual Financial Statements and Operating Data. The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified below:

(i) the audited financial statements of the City, but for the most recently concluded Fiscal Year, and, to the extent that such statements are not completed and available, unaudited financial statements for such Fiscal Year; and

(ii) the tables or schedules appearing in the Official Statement relating to the City's Certificates of Obligation, Series 2021, under Tables numbered 1 through 6 and 8 through 25.

Accounting Principles. The accounting principles, with respect to the City, referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph (i) above, as such principles may be changed from time to time to comply with state law or regulation.



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4161	
From: OMAR RODRIGUEZ			
Subject: Discussion and consideration on an Interlocal Agreement between Hidalgo and Cameron Counties Irrigation District No. 9 and City of Weslaco for hike and bike trails and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.)			
Background: The City has identified routes for hike and bike trails along Hidalgo and Cameron Counties Irrigation District No. Nine irrigation facilities and drainage ditches with the City of Weslaco. The project was presented to the commission during the March 27th workshop to pursue this project and meet with the District. Staff presented this plan to the manager and received support to enter in an Interlocal agreement to construct, maintain and operate these trails.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted: Mayor's Signature			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ADELAIDA VEGA OMAR RODRIGUEZ Mike Perez		Created/Initiated Approved New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: Weslaco w_Hidalgo and Cameron County Irrigation District 9 re Trails along designated Irrigation facilities and ditches, HIKE & BIKE TRAILS HCCID9 CANALS & DITCHES			
Responsibilities upon Approval:			

STATE OF TEXAS

COUNTY OF HIDALGO

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN HIDALGO AND CAMERON COUNTIES IRRIGATION DISTRICT NO. NINE
AND THE CITY OF WESLACO, TEXAS**

The Interlocal Cooperation Agreement (this "Agreement") is made on this the ____ day of _____, 2021 (the "Effective Date") by and between THE CITY OF WESLACO, TEXAS ("Weslaco") and HIDALGO AND CAMERON COUNTIES IRRIGATION DISTRICT NO. NINE (the "Irrigation District"), pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, Irrigation District claims rights and interests in and to irrigation facilities and irrigation properties adjacent to such irrigation facilities situated in or adjacent to the City of Weslaco, Hidalgo County, Texas (the "Irrigation Facilities") as shown on the maps and in the records of the Irrigation District;

WHEREAS, Irrigation District also claims rights and interests in property consisting of drainage ditches, the outfalls from such ditches, and adjacent properties for the purpose of drainage (each a "Ditch" or an "Outfall", as the case may be, and collectively the "Ditches") as shown on the maps and in the records of the Irrigation District;

WHEREAS, Weslaco is responsible for providing an integrated safe and convenient multi-modal transportation system through the development of hike and bike trails (the Trails) within the incorporated city limits of Weslaco and desires to utilize the Irrigation Facilities and Ditches for such purpose;

WHEREAS, the Irrigation District desires to allow Weslaco to utilize those portions of the Irrigation Facilities and Ditches which lie within the corporate limits and extra-territorial jurisdiction of Weslaco for Trail purposes (the "Weslaco Designated Irrigation Facilities and Ditches"), which are indicated on map attached hereto as Exhibit "A";

~~**WHEREAS**, Weslaco and the Irrigation District have previously entered into an interlocal agreement relating to the maintenance of the Weslaco Designated Ditches, which prior agreements are intended to be replaced in full by this Agreement;~~

WHEREAS, Irrigation District desires to grant to Weslaco a license in, over and across the Weslaco Designated Irrigation Facilities and Ditches to allow Weslaco to access, maintain, operate, expand, and/or repair Trails along the Weslaco Designated Irrigation Facilities and Ditches;

WHEREAS, Weslaco desires to construct, maintain and operate Trails, parking nodes and amenities along the Weslaco Designated Irrigation Facilities and Ditches in order to adequately serve the Hike and Bike Trail needs of Weslaco;

WHEREAS, Irrigation District will benefit from the improvements to the Weslaco Designated Irrigation Facilities and Ditches and Weslaco's maintenance and operation thereof; and

NOW, THEREFORE, Weslaco and the Irrigation District, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. **License.** Irrigation District hereby grants to Weslaco a permanent, non-exclusive license to use the Weslaco Designated Irrigation Facilities and Ditches for the purpose of expansion, repair, maintenance and/or operation of Trails along the Weslaco Designated Ditches (the "License"). The License is conveyed AS IS, WHERE IS, WITH ALL FAULTS.
2. **Maintenance.** In consideration of the Irrigation District's granting of the License, Weslaco agrees to accept all obligations for the maintenance, repair and operation of the Trails along the Weslaco Designated Irrigation Facilities and Ditches and acknowledges that from the Effective Date until the termination of this Agreement, the Irrigation District shall have no obligation to maintain, repair, operate, or provide emergency operations for the Trails along the Weslaco Designated Irrigation Facilities and Ditches.
3. **Future Improvements.** The Irrigation District and Weslaco agree that if their joint use of the Trails along the Weslaco Designated Irrigation Facilities and Ditches interferes with each other's use and in the event it is necessary for either Weslaco or the Irrigation District to alter, modify, or add to the facilities presently located or to be located within the Weslaco Designated Irrigation Facilities and Ditches, each party agrees to notify the other party at least sixty (60) days prior to any such activity and furnish necessary plans, specifications, and sketches showing the location and type of construction. Any such alterations, modifications, or additions shall be at the sole expense of the party conducting the same, and in the event it is necessary to relocate, alter or modify the other party's improvements situated within the Weslaco Designated Irrigation Facilities and Ditches, the party conducting the alteration, modification, or addition activities shall pay for all reasonable costs necessarily incurred by the other party in relocating or altering their improvements to accommodate the new alterations, modifications, or additions to any improvements situated within the Weslaco Designated Irrigation Facilities and Ditches. If in the opinion of either party, such alteration, modification, or new construction will injure, impair, or adversely affect the other party's use of the Weslaco Designated Irrigation Facilities and Ditches, such party may prescribe such reasonable regulations as necessary for its protection, provided however, that such regulations shall not extend to rerouting or relocation of any lines or improvements outside of the Weslaco Designated Irrigation Facilities and Ditches.
4. **Emergency Repairs.** Weslaco shall have the right to perform all emergency repairs to the Ditches as deemed necessary by Weslaco; provided, however, in the event of any emergency when immediate action is necessary for the protection of the public and to minimize property damage and loss of investments, then the Irrigation District may, but shall have no obligation to, make such necessary

emergency repairs as required under the circumstances. Immediately following such repairs, the party making same shall notify the other party of its action in writing, as soon as practical.

5. **Conflict of Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the later shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.
6. **No Waiver.** No waiver by any party hereto of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.
7. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by both parties, and not otherwise
8. **TEXAS LAW TO APPLY.** THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.
9. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Weslaco:

City of Weslaco
Attention: City Manager
255 S. Kansas Avenue
Weslaco, Texas 78596

If to Irrigation District:

Hidalgo County Irrigation District No. Nine
Attention: General Manager
P.O. Box 237
Mercedes, Texas 78570

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

10. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.
11. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns where permitted by this Agreement.
12. **Assignment.** This Agreement shall not be assignable by either party.
13. **Headings.** The headings and captions contained in this Agreement are solely for convenience and reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.
14. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.
15. **Authority to Execute.** The execution and performance of this Agreement by Weslaco and the Irrigation District have been duly authorized by all necessary laws, resolutions or governmental action, and this Agreement constitutes the valid and enforceable obligations of Weslaco and the Irrigation District in accordance with its terms.
16. **Governmental Purpose.** Each party hereto is entering into this Agreement for the purpose of providing governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

(signature page follows)

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

ATTEST:

NORMA A. CANTU, CITY SECRETARY

CITY OF WESLACO

DAVID SUAREZ, MAYOR

APPROVED AS TO FORM:

JUAN E. GONZALEZ, CITY ATTORNEY

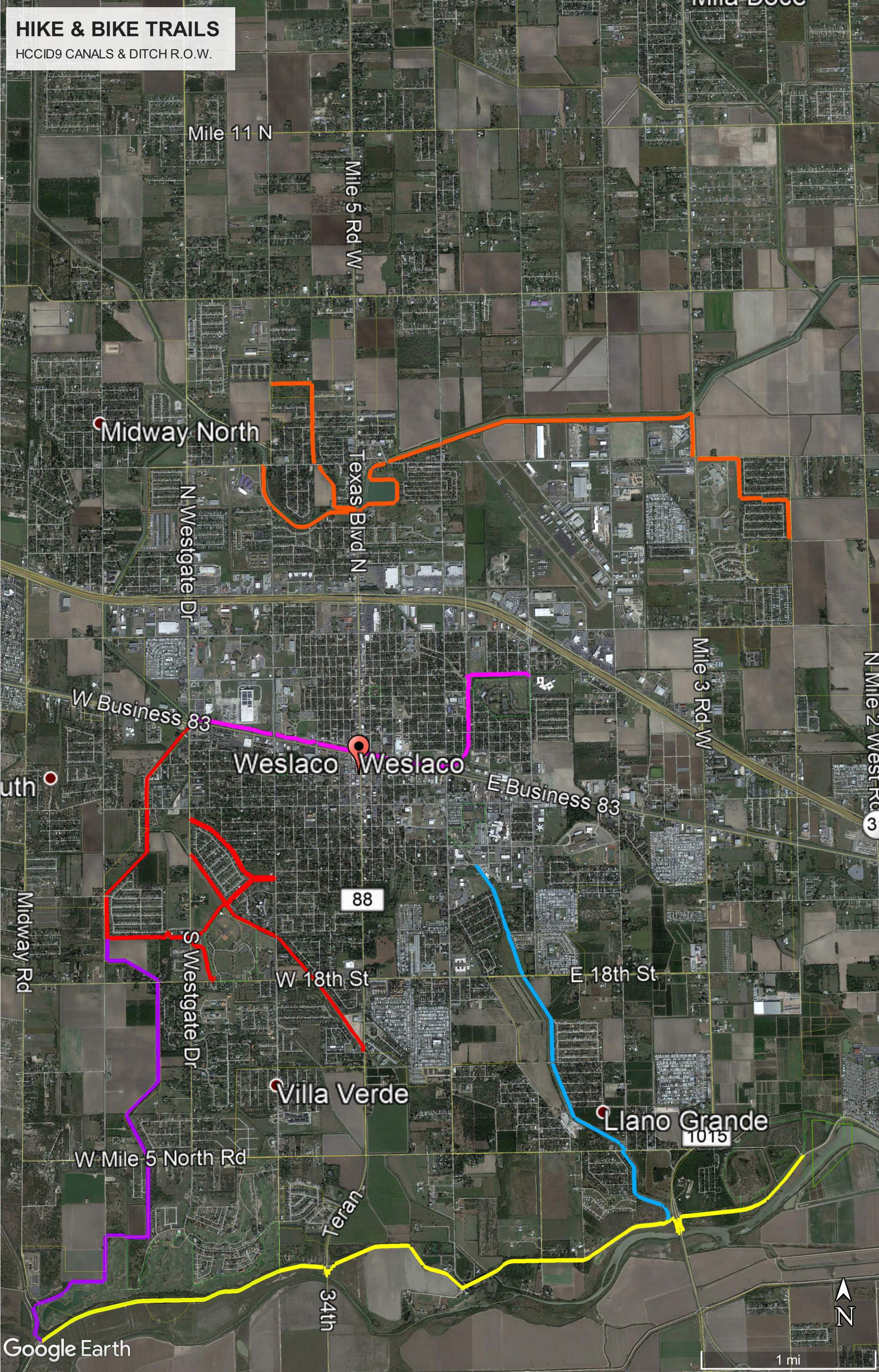
**HIDALGO AND CAMERON COUNTIES
IRRIGATION DISTRICT NO. NINE**

RANDALL WINSTON, General Manager

DRAFT

HIKE & BIKE TRAILS

HCCID9 CANALS & DITCH R.O.W.





Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4162
From: OMAR RODRIGUEZ		
Subject: Discussion and consideration on realignment of drainage ditch at Mayor Pablo Pena City Park and authorize the Mayor to execute any related documents. Possible action. (Staffed by Parks and Recreation Department.)		
Background: The Los Torritos Kansas Drainage project calls for a stormwater regional detention facility (RDF) at Mayor Pablo Pena Park. Phase one of the project was recently approved for funding and the design phase is in progress. Staff has developed a plan to realign the ditch from the north boundary of the park to traverse the park and reshape the north side connecting the neighborhood to the park. Staff met with the Manager of Hidalgo and Cameron Counties Irrigation District No. Nine regarding this possibility and it was received with support by simply recognizing equal right of way with the new alignment.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA OMAR RODRIGUEZ Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any: MEMO DITCH REALIGNMENT MAYOR PABLO PENA PARK, Mayor Pablo G. Pena City Park Schematic Drainage channel reroute, Mayor Pablo G. Pena City Park Drainage channel realignment, Project Los Torritos Kansas RDF project area, Mayor Pablo Pena Park RDF project area aerial		

Responsibilities upon Approval:

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

INTER-OFFICE MEMORANDUM

DATE: April 27, 2021

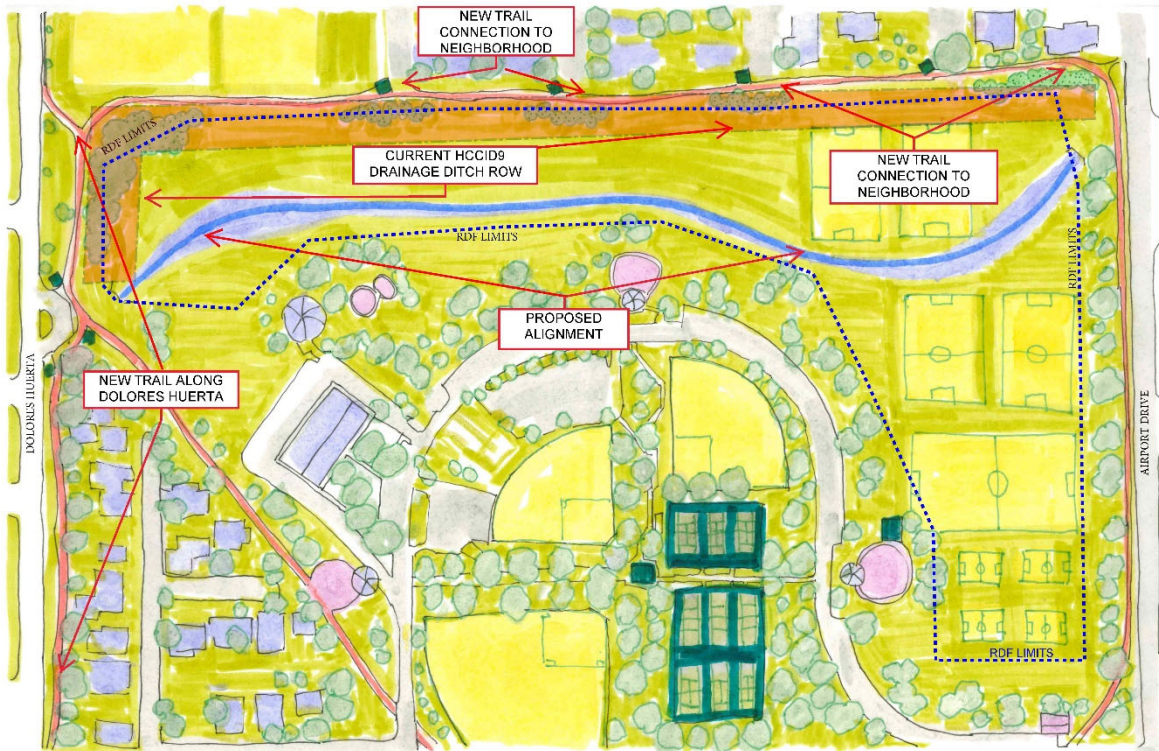
TO: Mike R. Perez, City Manager

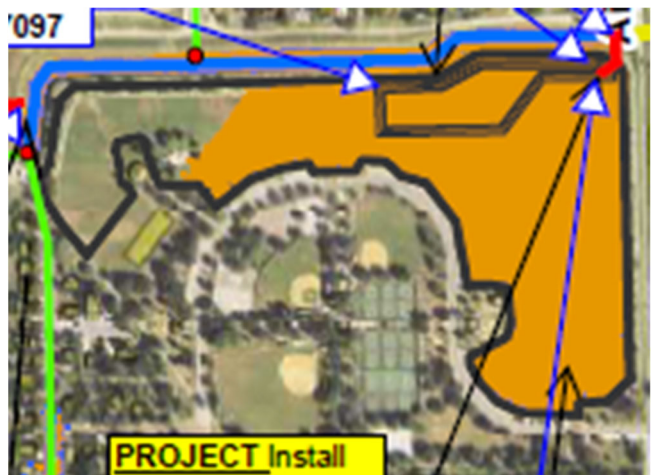
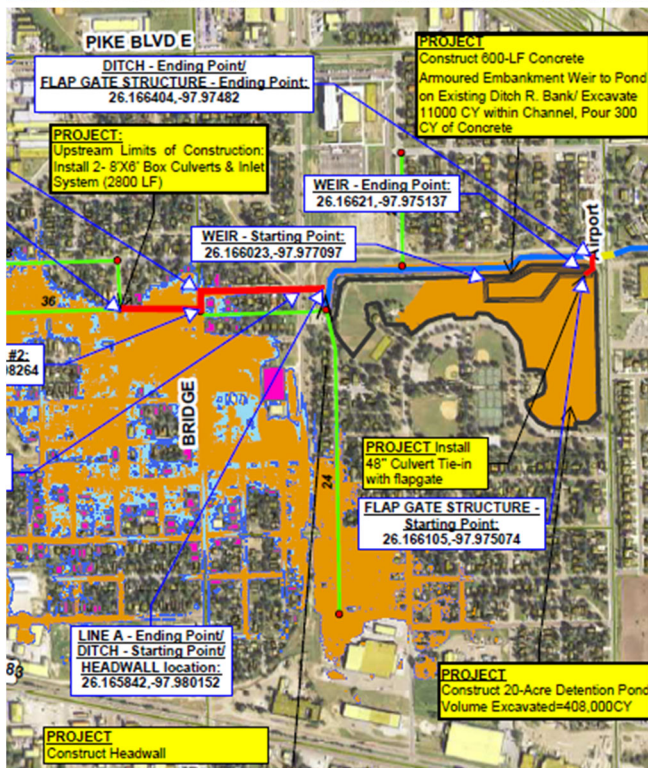
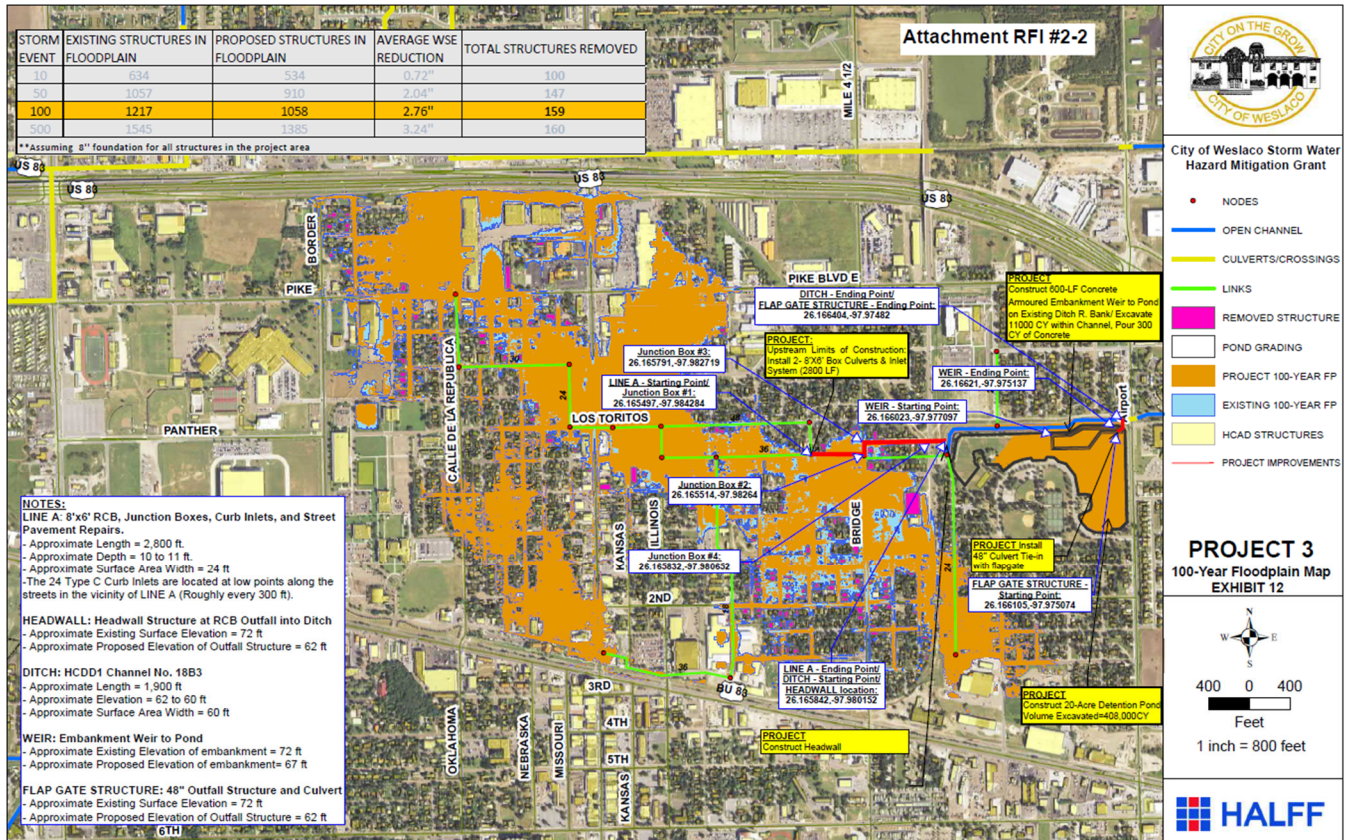
FROM: Omar Rodriguez, Parks & Recreation - Director 

SUBJECT: REALIGNMENT OF HCCID9 DITCH ROW AT MAYOR PABLO PENA PARK

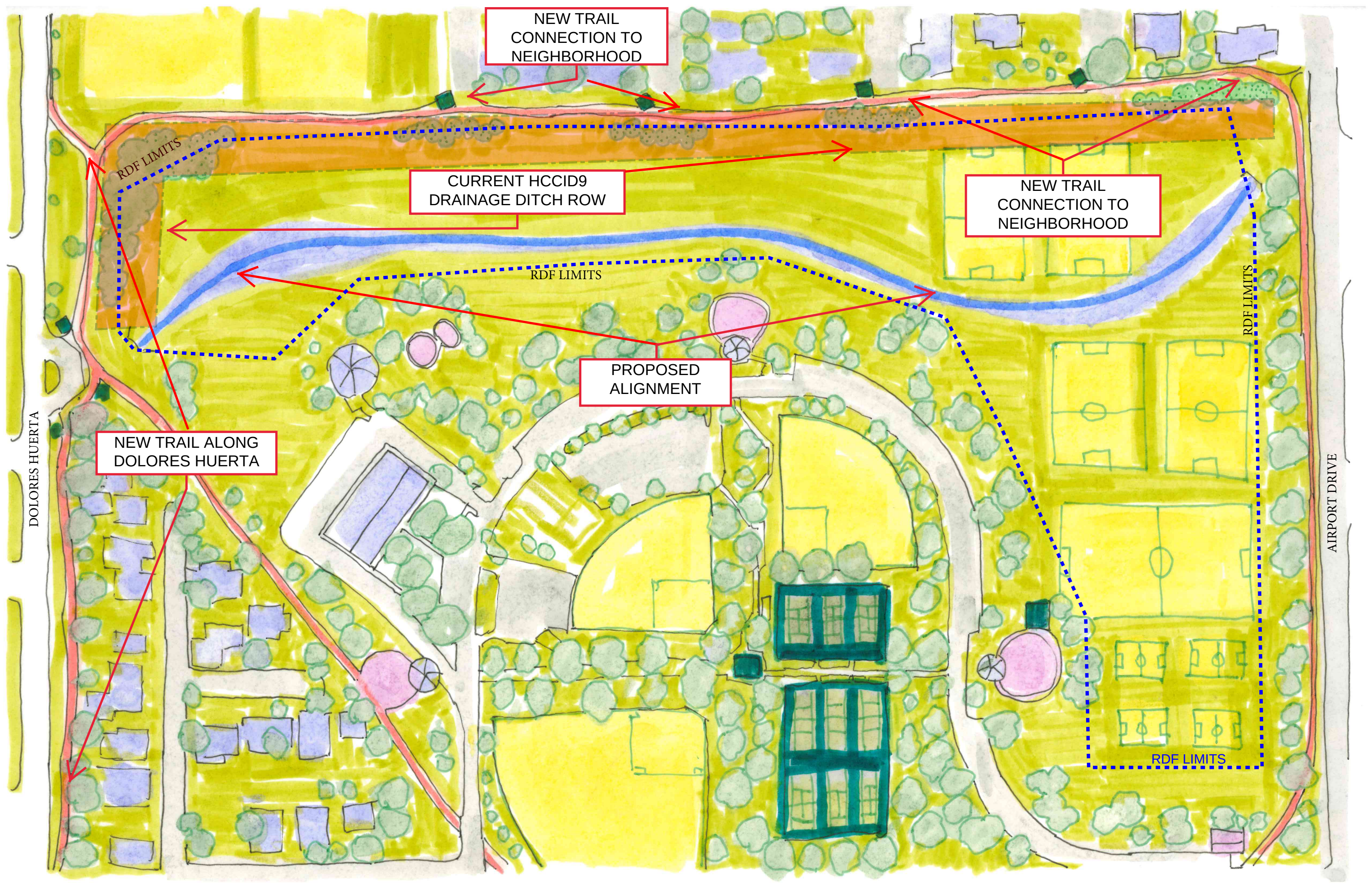
The Los Torritos Kansas Drainage project calls for a stormwater regional detention facility (RDF) at Mayor Pablo Pena Park. Phase one of the project was recently approved for funding and the design phase is in progress.

Staff has developed an alternate plan to realign the ditch from the north boundary of the park to traverse the park and reshape the north side connecting the neighborhood to the park. Staff met with the Manager of Hidalgo and Cameron Counties Irrigation District No. Nine regarding this possibility and it was received with support by simply recognizing equal right of way with the new alignment. Once the realignment is finalized, the Mayor can proceed with executing a memorandum of understanding establishing the new right of way.





"The City on the Grow"



NEW TRAIL
CONNECTION TO
NEIGHBORHOOD

CURRENT HCCID9
DRAINAGE DITCH ROW

NEW TRAIL
CONNECTION TO
NEIGHBORHOOD

PROPOSED
ALIGNMENT

NEW TRAIL ALONG
DOLORES HUERTA

RDF LIMITS

RDF LIMITS

RDF LIMITS

RDF LIMITS

DOLORES HUERTA

AIRPORT DRIVE

Mayor Pablo Pena City Park

Realignment of HCCID9 Drainage ROW

HCCID9 Current Alignment

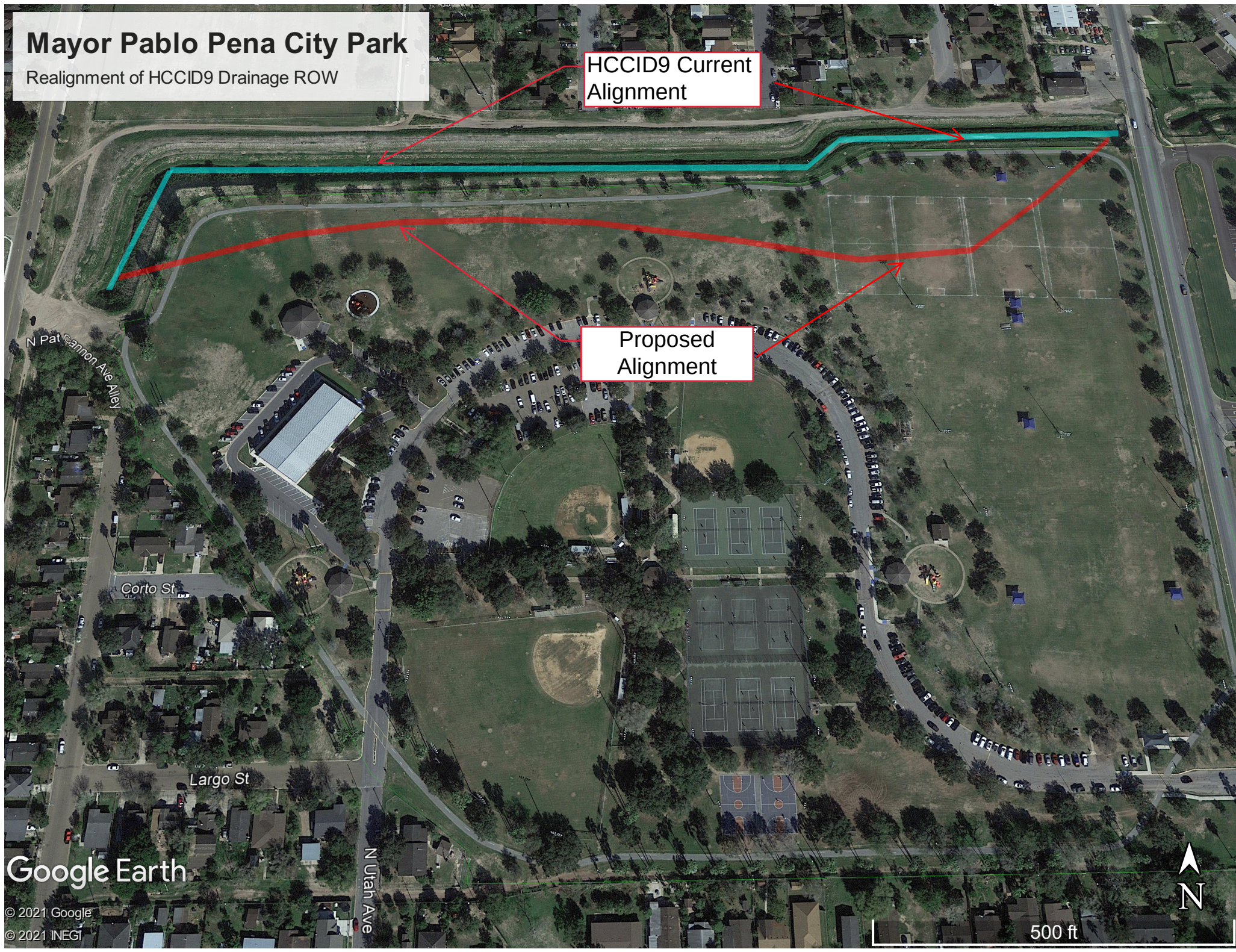
Proposed Alignment

Google Earth

© 2021 Google
© 2021 INEGI



500 ft



STORM EVENT	EXISTING STRUCTURES IN FLOODPLAIN	PROPOSED STRUCTURES IN FLOODPLAIN	AVERAGE WSE REDUCTION	TOTAL STRUCTURES REMOVED
10	634	534	0.72"	100
50	1057	910	2.04"	147
100	1217	1058	2.76"	159
500	1545	1385	3.24"	160

**Assuming 8" foundation for all structures in the project area

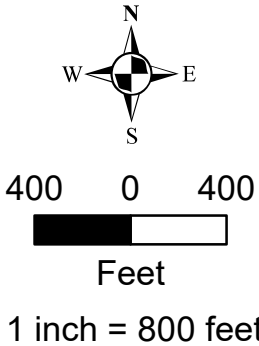
Attachment RFI #2-2



City of Weslaco Storm Water Hazard Mitigation Grant

- NODES
- OPEN CHANNEL
- CULVERTS/CROSSINGS
- LINKS
- REMOVED STRUCTURE
- POND GRADING
- PROJECT 100-YEAR FP
- EXISTING 100-YEAR FP
- HCAD STRUCTURES
- PROJECT IMPROVEMENTS

PROJECT 3
100-Year Floodplain Map
EXHIBIT 12



NOTES:
LINE A: 8'x6' RCB, Junction Boxes, Curb Inlets, and Street Pavement Repairs.

- Approximate Length = 2,800 ft.
- Approximate Depth = 10 to 11 ft.
- Approximate Surface Area Width = 24 ft
- The 24 Type C Curb Inlets are located at low points along the streets in the vicinity of LINE A (Roughly every 300 ft).

HEADWALL: Headwall Structure at RCB Outfall into Ditch

- Approximate Existing Surface Elevation = 72 ft
- Approximate Proposed Elevation of Outfall Structure = 62 ft

DITCH: HCDD1 Channel No. 18B3

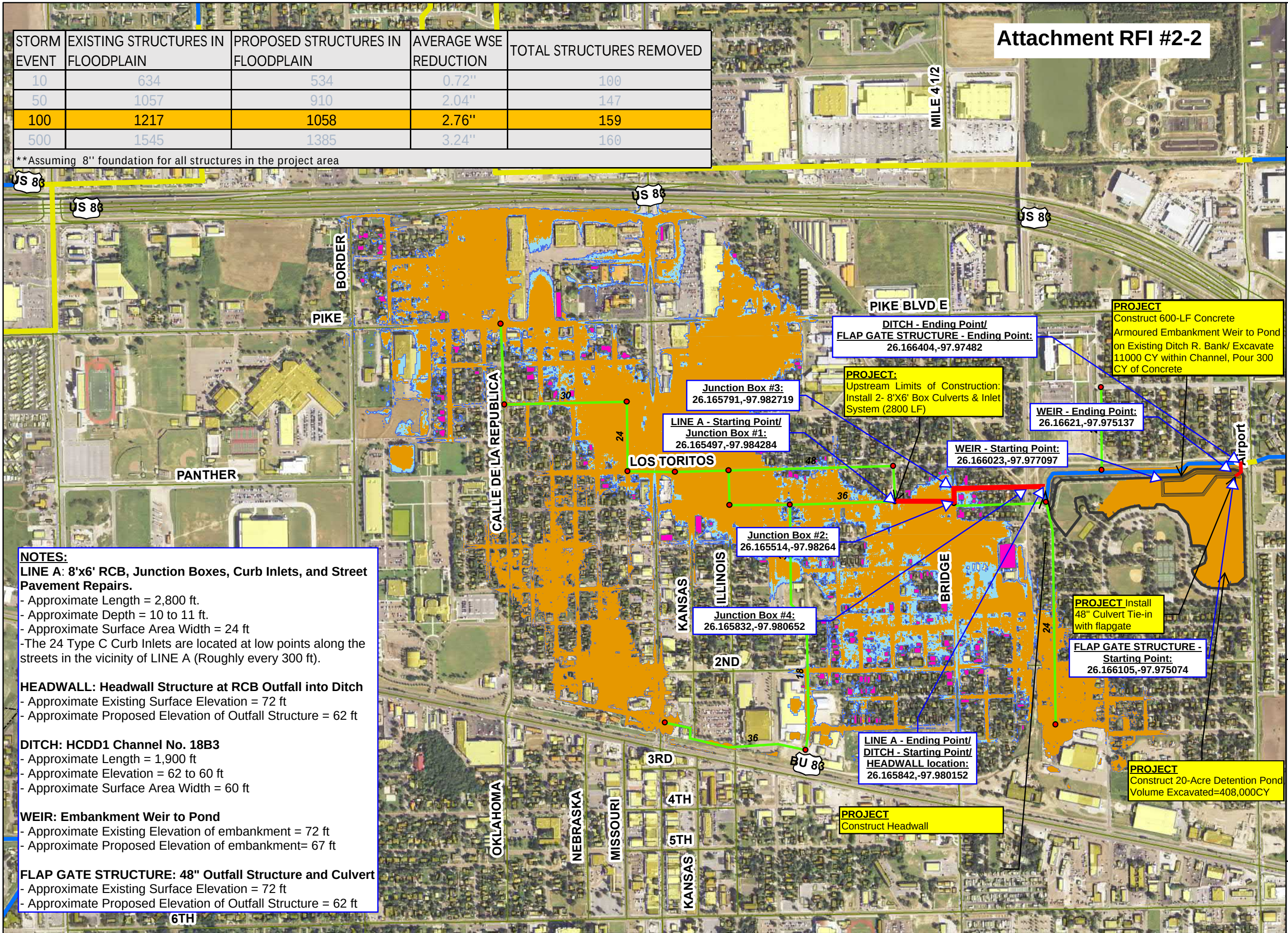
- Approximate Length = 1,900 ft
- Approximate Elevation = 62 to 60 ft
- Approximate Surface Area Width = 60 ft

WEIR: Embankment Weir to Pond

- Approximate Existing Elevation of embankment = 72 ft
- Approximate Proposed Elevation of embankment= 67 ft

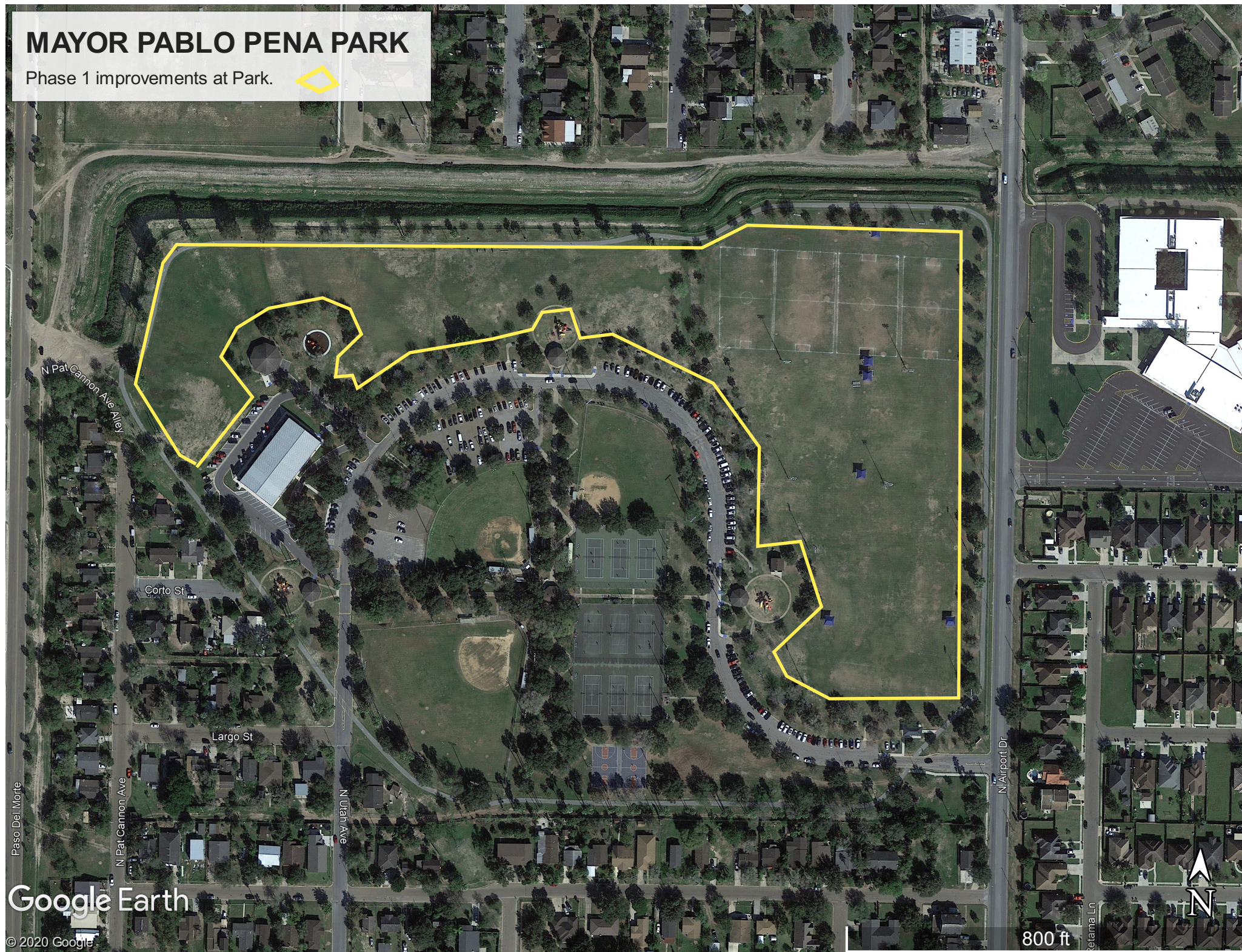
FLAP GATE STRUCTURE: 48" Outfall Structure and Culvert

- Approximate Existing Surface Elevation = 72 ft
- Approximate Proposed Elevation of Outfall Structure = 62 ft



MAYOR PABLO PENA PARK

Phase 1 improvements at Park.



Google Earth

© 2020 Google



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4153
From: ROBERT LOPEZ		
Subject: Discussion and consideration on the submission of a proposal to the Community Project Funding Request to Congressman Vicente Gonzalez in the amount of \$1,120,630 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Police Department.)		
Background: Funding will be provided for community project grants for State, local, and tribal law enforcement to develop and acquire effective technologies and interoperable communications that assist in investigating, responding to, and preventing crime. This funding will allow recipients the opportunity to establish and enhance any of a variety of technical equipment and/or programs to encourage the continuation and enhancement of community policing efforts within their jurisdictions.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted:		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ROBERT LOPEZ ROBERT LOPEZ Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Recommend Approval		
Attachments, if any:		
Responsibilities upon Approval:		



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4156
From:		
Subject: Discussion and consideration on Inter-local Agreement between the City of Edcouch and City of Weslaco for lease space at 1912 Joe Stephens for the use, maintenance and operation of the Mid-Valley Regional Communications Corporation (Center) and authorize the Mayor to execute any related documents. Possible action. (Staffed by Police Department.)		
Background:		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ROBERT LOPEZ ROBERT LOPEZ Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation:		
Attachments, if any: INTERLOCAL AGREEMENT City of Weslaco and City of Edcouch, New World Tyler Technologies, Edcouch ILA Final 04-28-2021 Mid Valley Communications Center		
Responsibilities upon Approval:		

**STATE OF TEXAS
COUNTY OF HIDALGO**

**Interlocal Agreement
City of Weslaco and City of Edcouch**

This Agreement is made on the 4th day of May 2021, by and between the City of Weslaco, Texas, a home rule municipal corporation, hereinafter referred to as "Weslaco" and City of Edcouch, hereinafter referred to as Edcouch. The Parties are authorized by the Interlocal Cooperation Act, Texas Government Code Chapter 791 to enter into cooperative agreements with other local government entities of the State of Texas for the purpose of fulfilling and implementing their respective public and governmental purposes, needs, objectives, and programs.

The purpose of this agreement is to provide the terms and conditions for the use, maintenance, and operation of "Tyler Technologies New World Computer Aided Dispatch (CAD) and Records Management System RMS", hereinafter referred to as "New World" for law enforcement dispatch services. The Parties have determined that this Agreement is in the best interest of the Parties and their respective constituents as the services being provided are a government function.

I. Terms of Use

Beginning May 4, 2021, the Parties agree as follows:

- 1.1 Weslaco agrees to share with Edcouch the "New World" software database for police operations.
- 1.2 Edcouch agrees to pay Weslaco a share of the Maintenance cost for the "New World" software, an amount not to exceed Five-thousand and No/100th Dollars (\$5,000) annually for the first five (5) years of this agreement with an annual increase of five percent (5%) or New World then-current rate (whichever is greater) thereafter,
- 1.3 The annual payment is to be made a month prior to the due date for the maintenance contract fee which Weslaco will invoice.
- 1.4 Weslaco will be responsible for the providing Edcouch access to the "New World" software database throughout the annual period.

1.5 Edcouch is responsible for any third-party vendor products, hardware, software and or licenses needed to make "New World" software or hardware compatible.

1.6 The term of this agreement shall be for five (5) years. There will be an option for multiple two (2) year extensions, which must be agreed to by both Parties. Either party must provide written notification of its intent to terminate this agreement at least ninety days prior to the termination of the agreement.

II. General Provisions

2.1 None of the Parties shall discriminate against any person on the basis of race, religion, gender, creed, or national origin.

2.2 Nothing contained in this Agreement shall be deemed or construed by any Party hereto or by any third Party as creating the relationship of principal and agent or of partnership or joint venture between the Parties hereto, it being understood and agreed that neither any provision herein, nor any acts of the Parties shall create any relationship between the Parties other than that of independent contractors.

2.3 It is expressly understood and agreed that, in the execution of the agreement, neither party waives, nor shall it be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

2.4 This agreement will be governed by state and federal laws and in conformity with all applicable ordinances of the Parties.

2.5 This agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the Parties created hereunder are performable in Hidalgo County, Texas.

2.6 The Parties to this agreement acknowledge that it may be necessary to amend or modify this agreement from time to time in order to address

additional concerns or issues that arise. However, no amendment, modification, or alteration of the terms of this agreement shall be binding, unless the same is in writing, dated subsequent to the date hereof, and duly executed by an authorized representative of the Parties hereto.

2.7 To the extent allowed by law, Edcouch will and does agree to indemnify, protect, defend with counsel approved by Weslaco, and hold harmless by Weslaco and their respective elected officials, employees, representatives, and agents from and against all damages, losses, liens, causes of action, suits, judgments, expenses, and other claims of any nature, kind or description, including reasonable attorney's fees incurred in investigating, defending, settling any of the foregoing, by any person or entity, arising out of, caused by, or resulting from Edcouch's performance under or breach of this Agreement and that are caused in whole or in part by any negligent act, negligent omission, or willful misconduct of Edcouch, anyone directly employed by Edcouch, or anyone else whose acts Edcouch may be liable for. The provisions of this section will not be construed to eliminate or reduce any other indemnification or right which any Weslaco indemnity has by law or equity. All Parties will be entitled to be represented by counsel at their own expense. To the extent allowed by law, Weslaco will and does hereby agree to indemnify, protect, defend with counsel approved by Edcouch, and hold harmless Edcouch and their respective elected officials, officers, directors, attorneys, employees, representatives, and agents from and against all damages, losses, liens, causes of action, suits, judgments, expenses, and other claims of any nature, kind, or description, including reasonable attorney's fees incurred in investigating, defending or settling any of the foregoing by any person or entity, arising out of, caused by, or resulting from Weslaco's performance under, or breach of this Agreement and that are caused in whole or in part by any negligent act, negligent omission, or willful misconduct of Weslaco's employees, anyone directly employed by Weslaco, or anyone whose acts Weslaco may be liable. The provisions of this Section will not be construed to eliminate or reduce any other indemnification or right which any Edcouch indemnity has by law or equity. All Parties will be entitled to be represented by counsel at their own expense.

AGREED:

Virginio Gonzalez Jr.
Mayor of the City of Edcouch, Texas

(Date)

David Suarez
Mayor of the City of Weslaco, Texas

(Date)

Attest:

Norma Cantu, City Secretary

Approved as to Form:

Juan E. Gonzalez, City Attorney

**STATE OF TEXAS
COUNTY OF HIDALGO**

INTERLOCAL AGREEMENT

City of Weslaco and City of Edcouch

This Agreement is made on this 4th day of May, 2021, by and between **City of Edcouch, Texas** (hereinafter "Edcouch") and the **City of Weslaco, Texas** (hereinafter "Weslaco"). The parties are authorized by the interlocal Cooperation Act, Texas Government Code Chapter 791 to enter into cooperative agreements with other local government entities of the State of Texas for the purpose of fulfilling and implementing their respective public and governmental purposes, needs, objectives, and programs.

The purpose of this agreement is to provide the terms and conditions for the use, maintenance and operation of the Mid-Valley Regional Communications Center between Weslaco and Edcouch. The services that are part of this agreement are a governmental function and will involve the relocation of Edcouch emergency dispatch services relating to public safety, fire and/or Emergency Medical Services to Weslaco. The Parties have determined that this Agreement is in the best and public interest of the Parties and their respective constituents.

I. Terms of Use

Beginning April 4th, 2021, the Parties agree as follows:

Weslaco agrees to lease to Edcouch the use of the Mid-Valley Regional

Communications Center at 1912 Joe Stephens in Weslaco, Hidalgo County, Texas.

1.1 Edcouch hereby agrees to pay Weslaco the monthly sum of Five Hundred and No/100th Dollars (\$500.00) in rent and Two Hundred Six and 25/100th Dollars (\$206.25) for maintenance of one dispatch console totaling a monthly fee of Seven Hundred Six and 25/100th Dollars (\$706.25).

1.2 The first month's prorated payment is to be made at the execution of this agreement, thereafter, all future payments shall be made on or before the first working day of the month.

1.3 Weslaco will be responsible for providing the office space at 1912 Joe Stephens, Weslaco, Texas. Weslaco agrees to provide the communication console and manage the facility.

1.4 Edcouch will be responsible for all expenses incurred in moving the communications operation from the Edcouch Police Department to the Mid Valley Regional Communication Center.

1.5 Weslaco will provide a workstation with available hardware and software. Any additional hardware/software needed, will be purchased by Edcouch.

1.6 The terms of this agreement will re-occur annually from date of agreement unless notice is made in writing from one party to the other ending this agreement.

II. General Provisions

2.1 Nondiscrimination None of the Parties shall discriminate against any

person based on race, religion, gender, creed, or national origin.

2.2 Independent Contractor/No Partnership Created. Nothing contained in this agreement shall be deemed or construed by any party hereto or by any third party as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that neither any provision herein nor any acts of the parties shall create any relationship between the Parties other than that of independent contractors.

2.3 Sovereign Immunity It is expressly understood and agreed that, in the execution of the agreement, neither party waives, nor shall be deemed hereby to waive any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

2.4 Governance This agreement will be governed by state and federal laws and in conformity with all applicable ordinances of the Parties.

2.5 Texas Law to Apply This agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

2.6 Amendment The Parties acknowledge it may be necessary to amend or modify this agreement from time to time in order to address additional concerns or issues that arise. However, no amendment, modification or alteration of the terms of this agreement shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by an authorized representative of the Parties hereto.

2.7 Indemnification To the extent allowed by law, Edcouch will and does hereby agree to indemnify, protect, defend with counsel approved by Weslaco, and hold harmless Weslaco and their respective elected officials, employees, representatives and agents from and against all damages, losses, liens, causes of action, suits, judgments, expenses, and other claims of any nature, kind, or description, including reasonable attorneys' fees incurred in investigating, defending or settling any of the foregoing by any person or entity, arising out of, caused by, or resulting from Edcouch's performance under or breach of this Agreement and that are caused in whole or in part by any negligent act, negligent omission or willful misconduct of Edcouch, anyone directly employed by Edcouch or anyone for whose acts Edcouch may be liable. The provisions of this section will not be construed to eliminate or reduce any other indemnification or right which any Weslaco indemnitee has by law or equity. Parties will be entitled to be represented by counsel at their own expense.

To the extent allowed by law, Weslaco will and does hereby agree to indemnify, protect, defend with counsel approved by Weslaco, and hold harmless Weslaco and their respective elected officials, officers, directors, attorneys, employees, representatives and agents from and against all damages, losses, liens, causes of action, suits, judgments, expenses, and other claims of any nature, kind, or description, including reasonable attorneys' fees incurred in investigating, defending or settling any of the foregoing by any person or entity, arising out of, caused by, or resulting from Weslaco's performance under or breach of this Agreement and that are caused in whole or in part by any negligent act, negligent

omission or willful misconduct of Weslaco employees, anyone directly employed by Weslaco or anyone for whose acts Weslaco may be liable. The provisions of this Section will not be construed to eliminate or reduce any other indemnification or right which any Edcouch indemnitee has by law or equity. Parties will be entitled to be represented by counsel at their own expense.

2.8 Discipline Edcouch dispatching personnel will be employees of Edcouch and Edcouch personnel policies will apply to them. However, the Weslaco Police Chief may provide his summary of facts of incidents or grievances and may include a recommended plan of action to the Edcouch Police Chief. Edcouch dispatching personnel will also adhere to the Mid-Valley Regional Communications Center Operations Manual which are uniformly imposed to all other dispatchers working in the facility. Should there be a conflict of policies regarding conduct and performance, the City of Edcouch Personnel Policy shall apply while all operational aspects of the telecommunication position will be regulated by the Mid-Valley Regional Communications Center Operations Manual.

2.9 Certification All dispatchers shall qualify for and retain any State Certifications or/or Licensing required to perform their duties.

2.10 Compliance Parties agree to address and manage oversight of unauthorized administrative access of the Mid-Valley Regional Communications Center for CJIS compliance.

Continued next page

AGREED:

Virginio Gonzalez Jr.
Mayor of the City of Edcouch, Texas

Date

David Suarez
Mayor of the City of Weslaco, Texas

Date

ATTEST:

Norma Cantu, City Secretary

APPROVED AS TO FORM:

Juan E. Gonzalez, City Attorney



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4154	
From: David Arce			
Subject: Discussion and consideration to award RFB No. 2020-21-12 for a New 4x4 Backhoe Loader to the most lowest and most advantageous bidder Doggett Heavy Machinery, in an amount not to exceed \$89,651 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background: Public Works newest backhoe is a 2005 Caterpillar. This is a much needed backhoe to continue with our services throughout the city.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
David Arce		Created/Initiated	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff Recommends Approval			
Attachments, if any: Memo Backhoe Loader RFB, Tabulation RFB 2020-21-13 BACKHOE LOADER, Danny Jackson - city of weslaco 310SL BBQT 04-20-2021, Danny Jackson - Doggett-Guard_v6 (2), Danny Jackson - city of weslaco 4x4 backhoe Bid Package 04-22-2021, Danny Jackson - City of weslaco 310SL Additions 04-21-21, Santiago R Morado - City of Weslaco 420 quote, Santiago R Morado - Small Specalog - Cat 420 Backhoe Loader (AEHQ8243-01) (Am N), Santiago R Morado - City of Weslaco 420 Bid Packet, Robert Z - PURCHASE CONTRACT CITY OF WESLACO 580SN, Robert Z - Weslaco Bid Docs			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Letty Lopez, Commissioner, District 5
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: May 6, 2021
To: City Commission
From: David Arce, Deputy Public Works Director
Subject: NEW 4X4 BACKHOE LOADER / RFB NO.: 2020-21-13
Cc: Mike Perez, City Manager
Vidal Roman, Finance Director

On April 29, we received 3 bids for the Backhoe Loader RFB. Public Works Department is requesting approval to purchase of a New Backhoe Loader from Doggett Heavy Machinery in the amount of \$89,651 with extended warranty. The unit meets all specs and requesting the extended warranty to be purchased for \$2,151 for 60 month/ 5000 hours.

Doggett was the lowest bidder.

Staff Recommends Approval.



City of Weslaco

NEW 4 X4 BACKHOE LOADER / RFB NO.: 2020-21-13

DROP BOX BID OPENING: 4/29/2021 AT 10:00 AM

Date: 4/29/2021

DESCRIPTION QTY
4X4 BACKHOE LOADER 1

DOGGETT HEAVY MACHINERY DANNY JACKSON 901 EAST INTERSTATE 2 SAN JUAN, TX 78589 Ph No.: 956.342-5228 Office No.: 787-001 Danny.Jackson@doggett.com	HOLT CAT SANTIAGO "REMY" MORADO 10701 US HWY 281 EDINBURG, TX 78541 Ph No.: 956.373-0787 Office No.: 956.292.7900 santiago.morado@holtcat.com	NUECES Power Equipment Robert Zohrer 1 Industrial Way San Benito, TX 78586 Ph No.: 956.245.6372 Fax No.: 956.399.0407 roberto@npetex.com
Total Price	Total Price	Total Price
MODEL: New 2021, 310SL Backhoe Loader 4X4, 24" Bucket, 103 HP, 60" Fork	MODEL: New 2021, CAT 420 IT4CS, w/Pallet Forks	MODEL: New 2021, CASE 580 Super N Backhoe, 82" Loader Bucket, 24" Backhoe Bucket
\$87,500.00	\$103,000.00	\$101,302.00
DOGGETT HEAVY MACHINERY	HOLT CAT	NUECES Power Equipment

ETA	91 -120 Days	ETA	120 Days	ETA	August 2021 1 year
Warranty	1 year full warranty except wear items (tires)	Extended Warranty	3 Year /5000 HR Premier Total Machine	Extended Warranty	/Unlimited hours plus 2 yrs or 2000 hrs engine
60" Fork Attachment w/60" Carriage & Forks not Extended Warranty not included: 60 months or 5000 hrs power train & hydraulics	\$3,737.00				
	\$2,151.00				
Grand Total w/Optional Items	\$93,388.00				

RECOMMENDATION:

310SL BACKHOE LOADER



20-Apr-2021

City of Weslaco
255 S. Kansas
Weslaco, Texas 78596

Buy Board Sales Quote
Attn : Homer Rhodes

Doggett Heavy Machinery, LLC.
Quote is valid for 90 days

Code	Description		
0A71T	310SL BACKHOE LOADER	1	\$124,205.00
Option Codes			
2401	English Decals with English Operator and Safety Manuals English decals installed and English operator's manual. Requires engine code 1065.	1	No Added Cost
170C	JDLink Ultimate 5 Year Subscription Includes JDLink hardware: integrated cab wiring harness, antenna, modular telematics gateway (MTG), and now includes all Ultimate Connectivity features - Wireless Data Transfer (WDT) enabling automatic data transfer from TimberMatic and Waratah H16 Measuring Systems to TimberManager and MyJohnDeere, supporting TimberOffice 5 Software. Additionally, Ultimate now includes Limited Internet features supporting optional ForestSight Solutions such as advance mapping systems and Remote Display Access (RDA) features supported by TeamViewer applications. JDLink utilizes cellular and satellite technology infrastructure that is outside the control of John Deere. Changes to that infrastructure may require customers to purchase compatible JDLink hardware to restore functionality. Includes 5 year subscription. Annual subscription renewal required after 5 years for continued functionality. JDLink customer account must be created to access JDLink Ultimate data. Go to www.StellarSupport.com to renew or update JDLink subscriptions. Use of this service, and all rights and obligations of John Deere and the Customer (as identified in the applicable agreement), are governed by the terms and conditions outlined in the applicable Services and Software agreements available at www.JohnDeere.com/Agreements . If these terms and conditions are not agreeable do not proceed and do not use the service.	1	No Added Cost
3095	Mechanical Front Wheel Drive (MFWD) with Limited Slip Dif 5F/3R Autoshift Transmission. Autoshift can turned on/off in the SSM. When Autoshift if off, Backhoe will operate with Powershift transmission.	1	No Added Cost

2035	Cab Isolation mounted Modular design ROPS/FOPS Level 2 (meets ISO 3449 & ISO 3471) Molded roof. Tinted safety glass. Deluxe interior trim. Headliner. Molded floor mats. Less radio (Cab includes power connector for radio and threaded bosses for mounting brackets - see radio kit installation instructions). Air Conditioning 26,000 BTU. CFC free R134a refrigerant. Heater/defrosters/pressurizer, 40,000 BTU, 10 speed. Deluxe Mechanical Suspension, Cloth, Swivel Seat with Lumbar Adjustment and Arm Rests, Fully Adjustable. Keyless Start. 3 inch Orange Seat Belt with retractor. Tilt Steering Wheel. Interior Rearview Mirror. Front 2-speed wiper with windshield washer and rear 1-speed wiper. (2) front driving/working halogen lights - 32,500 Candlepower Each (2) rear working halogen lights - 32,500 Candlepower Each (6) additional work roof lights adds 2 front, 2 rear and 1 on each side of roof (4) turn signal/flashing/rear stop/tail lights - 2 front and rear (2) rear reflector See Order As Desired codes for additional Cab options not included in standard Cab (i.e. Air Suspension Seat, Radio, Sun Visor).	1	\$13,243.00
44G6	Custom Code - Galaxy 21L 24 in. 12 PR Rear on HD Rim & 12 Requires axle code 3095. Rear tire chains require wheel spacers (AT347522).	1	\$1,134.00
8625	Single Maintenance Free Battery 175 Minute Reserve Capacity (950 CCA) Recommended for use in ambient temperatures ABOVE 32 degrees F (0 degrees C).	1	No Added Cost
6010	Standard Dipperstick Standard stabilizer legs.	1	No Added Cost
6210	No Auxiliary	1	No Added Cost
5225	Mechanical Controls, Two Lever, ISO (DEERE)	1	No Added Cost
5400	Less Coupler - Less Thumb If ordering with thumb, must order option code 5401.	1	No Added Cost
5676	24" (610 mm) Wide, Heavy-Duty, 8.8 Cu. Ft. (0.25 Cu. M.) Cap Bucket includes TK Teeth.	1	\$1,875.00

7650	1.3 Cu. Yd. (1.0 Cu. M.) 92 in. (2.34 m) wide Heavy-Duty Long	1	\$3,522.00
7085	Loader Coupler, 3-Function Hydraulics, Single Lever Includes Auto Ride Control, option 9115. Single lever loader control with electric clutch disconnect, momentary MFWD, transmission quick-shift, and electro-hydraulic auxiliary control. For multi-purpose coupler bucket and front attachments. Includes valve with circuit relief and .5 in. (12.7 mm) hoses and steel lines to loader cross tube. Will accept G, J, K, and L-Series loader coupler buckets.	1	\$9,974.00
8425	450 Lb. (204 kg) Front Counterweight	1	\$615.00
1065	John Deere PowerTech™ EWL 4.5L (276 Cu. In.) Engine Meet Net Peak Power of 103 Hp. For use only in areas where EPA Final Tier 4/EU Stage IV is required. Turbocharged. Wet Sleeve Cylinder Liners. 4 Valves / Cylinder. Electronically Controlled HPCR Fuel Delivery System, B20 Biodiesel Compatible . Serpentine Belt with Automatic Belt Tensioner. Enclosed Safety Fan Guard. Vertical Spin-On Engine Oil Filter. Spin-On Fuel Filter with Water Separator. Dual Safety Element Dry-Type Air Cleaner with Evacuator Valve. Underhood Catalysts with Vertical Curved Exhaust Stack. Passive flow-through Exhaust Aftertreatment system with Grid Heater. Electronically controlled, variable-speed cooling fan.	1	\$10,028.00

Total	\$164,596.00
Buy Board Discount 40% Doggett Buy Board # 597-19	-\$ 65,838.40
Buy Board Sales Price	\$ 98,757.60
Factory Freight	\$ 3,500.00
Pre-delivery Inspection	\$ 1,850.00
Doggett Government Discount	-\$ 16,607.60
Final Sales Price	\$ 87,500.00

Thank you, for the opportunity to provide a Buy Board Quotation on a New John Deere Backhoe. Delivery is on Average 90 to 120 days. Machine is equipped with Full Warranty for 12 months. Please see attached page for additional options available, Sincerely Danny Jackson Territory Sales Mgr. 956-342-5228.

Manufacturer's Suggested List Price shown. Retail prices may vary by dealer. Unless stated otherwise, taxes, freight, setup, delivery and other dealer specific charges not included in the pricing. Options/items noted with anything other than price will have additional costs. Pricing, availability, and specifications subject to change without notice. Special program pricing may be available on certain models. See dealer for details. Prices shown are in U.S. dollars and valid only in the U.S.



JOHN DEERE | **DOGGETT**

DOGGETT GUARD

WHAT WE OFFER

- Equipment walk-around and start up upon delivery
- Free owner and operator training
- Free after-sale inspection
- Free loaner equipment for repairs beyond 48 hours during basic factory warranty period
- Free travel time and mileage on warranty items during basic factory warranty period
- Four-hour guaranteed response time for warranty repairs- machines must be operated within Doggett's area of responsibility
- Optional GPS monitoring with on-request customer access to tracking data
- Optional preventative maintenance programs including oil samples and machine inspections

Available on units sold and operated within Doggett's Area of Responsibility. Contact your local Doggett store for complete details. Additional terms and conditions may apply.

www.doggett.com





Doggett Construction And Forestry Equipment Division



ALEXANDRIA - CE&FE

Doggett Machinery Services
6321 Masonic Dr
Alexandria, LA 71301
318-442-0455

BATON ROUGE - CE&FE

Doggett Machinery Services
10110 Daradele Ave
Baton Rouge, LA 70816
225-291-3750

BEAUMONT - CE

Doggett Heavy Machinery
4355 W Cardinal Dr
Beaumont, TX 77705
409-842-1754

BRYAN / COLLEGE STATION - CE

Doggett Heavy Machinery
3500 State Hwy 21
West Bryan, TX 77803
979-823-1905

CORPUS CHRISTI - CE

Doggett Heavy Machinery
134 North Padre Island Dr
Corpus Christi, TX 78408
361-289-0727

COVINGTON - CE&FE

Doggett Machinery Services
17312 Norwel Dr
Covington, LA 70435
985-893-3005

HOUSTON - CE

Doggett Heavy Machinery
9111 North Freeway
Houston, TX 77037
713-679-6700

LAFAYETTE - CE&FE

Doggett Machinery Services
3519 Hwy 90 E
Broussard, LA 70518
337-837-9481

LAKE CHARLES - CE&FE

Doggett Machinery Services
6234 Hwy 90 E
Lake Charles, LA 70615
337-430-3045

LONGVIEW - CE&FE

Doggett Machinery Services
413 S Eastman Rd
Longview, TX 75602
903-758-3326

LUFKIN - CE&FE

Doggett Machinery Services
4006 Ellen Trout Dr
Lufkin, TX 75903
936-634-8801

MONROE - CE&FE

Doggett Machinery Services
7370 Frontage Road
Monroe, LA 71202
318-343-8787

NEW ORLEANS/KENNER - CE&FE

Doggett Machinery Services
10288 Airline Hwy
St Rose, LA 70087
504-466-5577

RIO GRANDE VALLEY/ MCALLEN AREA - CE

Doggett Heavy Machinery
900 E Expressway 83
San Juan, TX 78589
956-787-0001

SHREVEPORT - CE&FE

Doggett Machinery Services
6725 Greenwood Rd
Shreveport, LA 71119
318-631-3090

TYLER - CE&FE

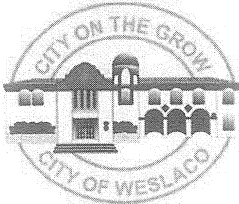
Doggett Machinery Services
1126 N. NE Loop 323
Tyler, TX 75708
903-592-8900

VICTORIA - CE

Doggett Heavy Machinery
12410 US 59
Victoria, TX 77905
361-570-6666

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

CITY OF WESLACO

Invitation to Bid

NEW 4 X4 BACKHOE LOADER - RFB No.: 2020-21-13

Electronic "sealed" bids addressed to Homer Rhodes, will be accepted at the Weslaco City Hall Purchasing Office, 255 S. Kansas Avenue, Weslaco, Texas 78596, via electronic **DROP BOX** link until **10:00 A.M. on April 29, 2021**, at which time they will be opened and read aloud via ZOOM meeting.

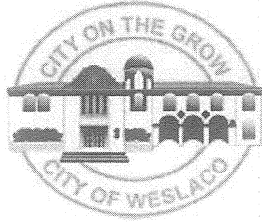
NEW 4 X4 BACKHOE LOADER - RFB No.: 2020-21-13

Potential Bidders/Respondents are advised that the bid documents can be downloaded from the City of Weslaco bid stream web page address: <http://www.weslacotx.gov/open-government/bid-stream>, and may also be secured at the Weslaco City Hall Purchasing Office, 255 S. Kansas Avenue, Weslaco, Texas 78596, or by calling 956.447-2240. **Be advised that this website is the primary source of all bid documents. Obtaining bid information from a third-party planning room may lead to incomplete submissions. This website must be monitored regularly for addendums and/or bid notices. Bidders are responsible for obtaining all the necessary information required for a compliant bid.** If your company is contemplating on bidding this project you must submit a vendor's notice of intent form to the Purchasing Office. Electronic Bids will be accepted through Drop Box link provided in Addendum #1 by stated deadline and time.

The City of Weslaco reserves the right to accept or reject any or all bids, to waive any informalities, and to accept the bid to be the best value and most advantageous (as allowed in Local Government Code 252.043) to the City and to hold bids for a period of forty-five (45) days without taking action, for the purpose of reviewing the bids and investigation of bidders' qualifications prior to bid award. Bids submitted past the aforementioned date and time will not be accepted.

City of Weslaco

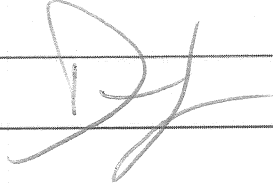
Homer Rhodes,
Purchasing Office
hrhodes@weslacotx.gov



VENDOR'S NOTICE OF INTENT TO SUBMIT A BID

If you intend to submit a bid for **New 4x4 Backhoe Loader - RFB No.: 2020-21-13** with the City of Weslaco as outlined in the specifications, please indicate your intention by signing, dating, and returning this form to the address below prior to **April 29, 2021** so that you may receive any addendums to the specifications should the need arise.

Homer Rhodes
City of Weslaco
Purchasing Office
255 S. Kansas Avenue
Weslaco, Texas 78596
Phone: 956.447.2240
hrhodes@weslacotx.gov

Name: Daniel Jackson Signature: 
(print / contact person)
Title: Territory Sales Manager Company/Agency: Doggett Heavy Machinery
Mailing Address: 901 East Interstate 2 City/State/Zip: San Juan, Texas 78589
Phone: 956-342-5228 Fax: 956-787-0055
Email Address: Danny.Jackson@doggett.com

Bid No.: 2020-21-13

**CITY OF WESLACO
REQUEST FOR BIDS
2020-21-13 New 4x4 Backhoe Loader
INSTRUCTIONS TO BIDDERS**

IT IS THE INTENT OF THESE SPECIFICATIONS TO DESCRIBE AND GOVERN THE PURCHASE PRICE OF NEW 4X4 BACKHOE LOADER REQUESTED. PROSPECTIVE BIDDERS ARE TO FILL THE FOLLOWING BLANK FORMS AND SUBMIT WITH THEIR BID.

In connection with this RFB, interested Bidders should limit their contact to the City of Weslaco by communicating only with Homer Rhodes, at (956) 447-2240 regarding this RFB. Contact with persons other than Mr. Rhodes regarding this RFB may be grounds for eliminations from the selection process.

MINIMUM SPECIFICATIONS:

1. Bid shall be submitted properly marked / identified in a PDF file via DROP BOX. Each form must be completely filled out. Bid must be filed with the City of Weslaco before opening day and hour. Bids submitted past the set deadline will not be accepted. Failure to meet request for Bid requirements may be grounds for disqualification.
2. Bid MUST give full firm name and address of respondent, and be manually signed. Failure to do so will disqualify your Bid. Person signing Bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information.
3. Bid CANNOT be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No Bid may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Weslaco.
4. It is the responsibility of the Supplier to verify that the New 4x4 Backhoe Loader meet specifications. Failure to do so or failure of the product itself will cause to cancel all existing or pending order. The City of Weslaco reserves the right to request demonstrations and view/inspect the New 4x4 Backhoe Loader Trailer at the City's discretion to confirm the quality. Any deviation from these instructions will be subject to Bid cancellation.
5. In order for the City to meet its needs, it is understood that during the period of the contract, should the successful bidder be unable to supply the New 4x4 Backhoe Loader, the City reserves the right to obtain the product from available sources.
6. Bids shall be analyzed on a total dollar value and what is considered the best value and most advantageous to the City (as allowed in Local Government Code 252.043).
7. It shall be the legal obligation of the bidder during the term of the contract, to notify the Purchasing Office of any price decrease in the market and accordingly, reduced prices will be in effect with appropriate documentation as described above.

8. The bidder agrees to indemnify and hold harmless the City of Weslaco from all suits and actions of every nature and description brought against, for or on account of the use of patented appliances, products or processes. Awarded bidder/vendor shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request from Purchasing Office, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.
9. Bidder shall carefully examine the Bid forms, requirements/specifications, and instructions to bidders. Should the bidder find discrepancies in, or omissions from Bid forms, specifications or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Office, Weslaco City Hall, 956.447.2240 and obtain clarification by addendum prior to submitting any Bids. **Request for Information (RFI) deadline is 4/23/21 at 10:00 AM**
10. **Addenda and Interpretations:**
No Interpretations of the meaning of the specifications or other pre-bid documents will be made orally to any bidder. **RFI's must be emailed in writing addressed to Homer Rhodes hrhodes@weslacotx.gov** and to be given consideration must be received at least three (3) days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instruction will be in the form of written addenda for specifications which, if issued, will be posted on City website: <http://www.weslacotx.gov/open-government/bid-stream> or e-mailed (at the respective address furnished for such purposes), not later than three (3) days prior to the *date fixed for the opening of bids*. *Failure of any bidder to receive any such addenda or interpretation shall not relieve such bidder from any obligation under his bid as submitted. All addenda so issued shall become part of the contract documents.*
11. The City of Weslaco reserves the right to refuse and reject any or all bids and to waive any or all informalities or technicalities and to accept the bid to be the best value and most advantageous (as **allowed in Local Government Code 252.043**) to the City and to hold the Bids for a period of forty-five (45) days without taking action. Bids submitted past the aforementioned date and time will not be accepted.

SPECIFICATIONS
RFB 2020-21-13
New 4x4 Backhoe Loader

SCOPE

It is the intent of these specifications to describe a New Backhoe Loader for purchase by City of Weslaco. All parts not specifically mentioned which are necessary to provide a complete Backhoe Loader, shall be included in the bid and shall conform to the standards and quality of materials and workmanship generally provided by the industry. All specifications are considered minimum unless otherwise indicated. Backhoe Loader exceeding the minimum specifications will be considered.

Freight/Delivery

Backhoe Loader shall be quoted with delivery, to be delivered by the vendor to the City of Weslaco Public Works city shop.

CONDITION

The successful bidder shall be responsible for delivery of Backhoe Loader that is properly serviced, clean and in first class operating condition. Pre-delivery service, at a minimum, shall include the following:

- Fully serviced
- Complete lubrication
- Check all fluid levels to assure proper operating conditions
- Inflate tires to proper pressure
- Check operation of all mechanical features and electronic accessories, gauges, lights, etc.

WARRANTY

Warranty information to be submitted with the bids for 100 percent coverage of parts and labor and indicating length of time of warranty with the warranty starting date being the date of acceptance of the Backhoe Loader by City of Weslaco. Please state the Manufactures Standard Warranty.

DELIVERY DATE

City of Weslaco prefers that the Backhoe Loader be delivered before August 30, 2021. Should this not be possible please indicated this on the price and delivery form. Being able to meet this delivery date will be a factor in the award of this bid. City of Weslaco will NOT accept any Backhoe Loader with Salvage Title. In addition to equipment specified, Backhoe Loader shall be equipped with all standard equipment as specified by the manufacturer for this model.

TOTAL COST OF OWNERSHIP WILL BE CONSIDERED

City of Weslaco will award to the lowest and most advantageous bid submitted. This will include a consideration of the total cost of ownership (maintenance, resale value, etc.) as well as delivery time.

SPECIFICATIONS

BACKHOE LOADER

Quantity: One (1) NEW Backhoe Loader

Minimum Specifications:

Operators Cabin: Closed Cab with Air Condition/Heater/Defrost

Year model: 2020 (New)

Engine: Final Tier 4 (100hp)

Drive: Four Wheel Drive

Loader Bucket: 1 yard (removable for multi attachments)

Prep for Hydraulic Hose Attachment (future purchase)

Backhoe Construction Bucket: 24" with 5 teeth

Brake System: Wet Multi Disc

Safety Lighting: 4 LED flashing lights (2 front / 2 Rear) 1 Beacon light on top of cab

Work Lighting: 6 LED Spotlights (2 front / 4 Rear)

Dig Depth: 14 ft (No Extension)

Color: Factory standard color

CITY OF WESLACO

**NEW 4X4 BACKHOE LOADER
BID AGREEMENT FORM**

The Daniel Jackson (bidder), having read the specifications, proposes to furnish a New 4x4 Backhoe Loader for the full and firm agreed price and within a favorable delivery time, in full compliance with the specifications.

Respectfully submitted this 22 day of April, 2021

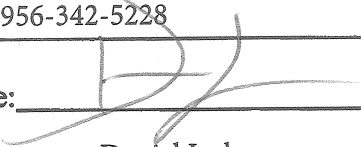
The undersigned affirms that they are duly authorized to execute this price agreement / contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Company Name: Doggett Heavy Machinery, LLC.

Address: 901 East Interstate 2

City/State/Zip: San Juan, Texas 78589

Phone Number: 956-342-5228 Fax Number: 956-787-0055

Authorized Signature:  Title: Territory Sales Manager

Daniel Jackson

Print Name

E-mail Danny.Jackson@doggett.com

CITY OF WESLACO

**NEW 4X4 BACKHOE LOADER RFB NO.: 2020-21-13
BID FORM**

Total Fixed Firm Price for (1) One unit as specified: \$ \$ 87,500.00

(Delivered to 1912 Joe Stephens Ave, Weslaco, TX 78599)

Notes:

1) Price is to include live demonstration of New 4x4 Backhoe Loader upon delivery of unit

Delivery Time days (from receipt of purchase order) 90 to 120 Days

Year: 2021 Condition: New Yellow

Make and Model: John Deere 310SL

OPTIONAL ADD ON (ALTERNATE BID 1):

Sandbagging Attachment minimum 20 bags at a time

Price to include install of all hoses needed to operate sand bagger.

Total Price : \$ N/A

List warranty information:

N/A

Please list any exceptions or considerations taken to specification:

Please see additional items that can be purchase and/or installed at the time the machines are ordered from the Factory.

Additional Warranty:

36 Months or 3,000 Hours of Extended warranty – power train & Hydraulics.	\$ 783.00
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48 Months or 4,000 Hours of Extended warranty – power train & Hydraulics.	\$ 1,402.00
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60 Months or 5,000 Hours or Extended warranty – power train & Hydraulics.	\$ 2,151.00
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Attachments:

60" Fork Attachment with 60" carriage and Forks	\$ 3,737.00
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Additional Features:

Basic Radio	\$ 882.00
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DATE: April 28, 2021
QUOTE #:274515-01

CITY OF WESLACO
255 S KANSAS AVE
WESLACO, TEXAS 78596-6216

Santiago Morado
956.373.0787

David Arce

BUY BOARD QUOTE

CONTRACT #597-19

One (1) New Caterpillar Inc. Model: 420 ITC4S Backhoe Loaders with all standard equipment in addition to the additional specifications listed below:

DATE: April 28, 2021QUOTE #: Quote 274515-01

MACHINE SPECIFICATIONS

DESCRIPTION	REF.#	PRICE
420 07A BACKHOE LOADER CFG2	542-7992	\$87,990.00
STICK, STANDARD, 14FT	543-4283	\$0.00
PT, 4WD/2WS, POWERSHIFT	544-1066	\$9,740.00
ENGINE, 82KW, C3.6 DITA, T4F	542-7780	\$11,410.00
HYD, MP, 6FCN/8BNK, ST, QC	554-4188	\$6,210.00
CAB, DELUXE	544-0883	\$8,520.00
DISPLAY, STANDARD	545-5047	\$0.00
WORKLIGHTS (8) HALOGEN LAMPS	491-6734	\$0.00
SEAT, DELUXE FABRIC	573-4524	\$940.00
BELT, SEAT, 2" SUSPENSION	206-1747	\$0.00
AIR CONDITIONER, T4F	542-7810	\$2,435.00
PRODUCT LINK, CELLULAR, PLE643	560-6797	\$0.00
TIRES, 12.5 80/19.5L-24, GY	379-2161	\$1,650.00
COUNTERWEIGHT, 530 LBS	337-9695	\$910.00
STABILIZER PADS, FLIP-OVER	9R-6007	\$341.00
BUCKET-GP, 1.5 YD3, IT	251-1794	\$4,326.00
CUTTING EDGE, TWO PIECE,WIDE	9R-5320	\$329.00
BUCKET-HD, 24", 7.3 FT3, PL	247-1950	\$1,819.00
COUPLER, PIN LOCK, BL F	544-1901	\$1,528.00
INSTRUCTIONS, ANSI	559-0872	\$0.00
SERIALIZED TECHNICAL MEDIA KIT	421-8926	\$0.00
RIDE CONTROL	551-6453	\$1,510.00
AUX READY, STD STICK	582-7394	\$1,485.00
RADIO, FM BLUETOOTH	540-2298	\$560.00
FAN	387-6682	\$233.00

DESCRIPTION	REF.#	PRICE
DISPLAY, SECURITY, ENABLED	573-0397	\$506.00
BATTERY, HEAVY DUTY	516-5913	\$230.00
AUTO-UP STABILIZERS	567-5090	\$0.00
PLATE GROUP - BOOM WEAR	423-7607	\$219.00
GUARD, STABILIZER	353-1389	\$850.00
CARRIAGE, PALLET, 61", IT	6W-8832	\$2,511.00
FORK TINE, 2" X 5" X 54"	195-6939	\$1,586.00
RUST PREVENTATIVE APPLICATOR	462-1033	\$110.00
SHIPPING/STORAGE PROTECTION	461-6839	\$206.00

Total Machine & Attachment List Price for 1 unit \$148,154.00

Minimum Buy Board Discount 16% off of list price per unit \$23,705.00

Sub Total after Buy Board Discount \$124,449.00

Holt Governmental Discount \$21,449.00

Sale price after Buy Board & Holt Discount \$103,000.00

SALE PRICE	\$103,000.00
EXT WARRANTY	Included
TOTAL BUY BOARD PRICE	\$103,000.00

OPTIONAL NON-LIST ITEM—SANDBAGGING ATTACHMENT—NOT INCLUDED IN PRICE

Brand: Barrier Systems LLC \$11,900.00

Model: Sand Master 20

Bags—18,000 @ \$0.30/each \$5400.00

WARRANTY

Extended Warranty: 3 YEAR/ 5000 HR PREMIER (total machine warranty)

AVAILABILITY

Current availability 120 days from order date. Mid-August 2021 delivery

Machine demo & walk-around will be conducted at the City of Weslaco yard

Machine will come with front bucket and forks

STANDARD EQUIPMENT

BOOMS, STICKS, AND LINKAGES -BACKHOE -- 14'4" Center pivot backhoe -4.3 Meters -- Boom and swing transport locks -- Pilot operated backhoe and -electro hydraulic stabilizer controls -- Street type stabilizer shoes -- Anti-drift hydraulics (boom, stick, -and E-stick) -- Cat Cushion Swing(tm) system -LOADER -- Single Tilt Loader -- Lift cylinder brace -- Self-leveling loader with single -lever control -- Return-to-dig -(automatic bucket positioner) -- Transmission neutralizer switch -- Bucket level indicator -

POWERTRAIN -- Water separator -- Thermal starting aid system -- Dry type axial seal air cleaner with -integral precleaner -- Automatic dust ejection system -- Filter condition indicator -- Hydraulically boosted multi-plate -wet disk brake with dual pedals & -interlock -- Differential lock -- Torque converter -- Transmission-four speed manual shift -- Neutral safety switch -- Spin-on filters for -Fuel -Engine oil -Transmission oil -- Outboard Planetary Rear Axles -- Diesel particulate filter -- Hydrostatic power steering

HYDRAULICS -- Pilot hoe and mechanical loader -controls -- Load sensing, variable flow system -with 43 gpm (162 L/min) axial piston -pump -- 6 micron hydraulic filter -- Caterpillar XT-3 hose -- Hydraulic oil cooler -- Pilot control shutoff switch -- Flow-sharing hydraulic valves -- Hydraulic suction strainer -

ELECTRICAL -- 12 volt electrical start -- Horn, front and rear -- Backup alarm -- Hazard flashers/turn signals -- Halogen head lights (2) -- Halogen rear flood lights (2) -- Stop and tail lights -- Audible system fault alarm -- Key start/stop system -- 850 CCA maintenance free battery -- Battery disconnect switch -- External Power Receptacle (12v) -- Diagnostic ports for engine and -machine Electronic Control Modules

OPERATOR ENVIRONMENT -- Interior rearview mirror -- ROPS canopy, Rear Fenders -- 2-inch (50mm) retractable seat belt -- Tilt steering column -- Steering knob -- Hand and foot throttle -- Automatic Engine Speed Control -- One Touch Low Idle -- Floor mat and Coat Strap -- Lockable storage area -- Air suspension seat -

FLUIDS -- Antifreeze - Extended Life Coolant --20F (-30C)

OTHER STANDARD EQUIPMENT -- Standard Storage Box -- Transport tie-down points -- Ground line fill fuel tank with -42.3 gal (160L) capacity & 5 gal (19L) -diesel exhaust fluid -- Rubber impact strips on radiator -guard -- CD-ROM Parts Manual -- Safety Manual -- Operations and Maintenance Manual -- Lockable hood -- Tire Valve Stem Protection

CAT® BACKHOE LOADER

YOU SPOKE, WE LISTENED

CAT® BACKHOE LOADERS BUILT WITH CUSTOMERS INPUT.

Building Construction Products
CONFIDENTIAL - YELLOW
Caterpillar: Confidential Green

- NEW Cat® C3.6 provides 10%+ more Fuel Efficiency
- Up to 15% more Boom Lift Performance (420)
- Standard 4wd gets you out of any Sticky Situation



Cat[®] 420

BACKHOE LOADER

The Cat[®] 420 Backhoe Loader delivers exceptional performance, increased fuel efficiency, superior hydraulic system, versatility and an updated operator station. The 420 features the following:

- **Ergonomic Operator Station** – Ample legroom inside the cab makes rotating the seat simple. The air suspension seat provides comfort to the operator while roading. New backhoe control pods allow for unlimited adjustability.
- **Load Sensing Hydraulics** – The Cat Backhoe Loader's load sensing piston pump provides full hydraulic lifting and digging forces at any engine speed. Variable flow pump matches hydraulic power to work demands.
- **Machine Performance** – The Cat C3.6 engine delivers solid performance and meets U.S. EPA Tier 4 Final/EU Stage V emission standards by utilizing Selective Catalytic Reduction technology with a Diesel Oxidation Catalyst. The system allows the operator to disconnect the machine, even while the diesel exhaust fluid is being purged from the system.
- **Machine Versatility** – The all new Integrated Tool Carrier (IT Coupler) for Single Tilt Loader Arm configurations are available from the factory or for simple field installation. The Cat Backhoe Loader with Integrated Tool Carrier (IT Coupler) will be the most versatile machine on the job site providing quick connection to a variety of Cat Attachments.
- **Cat Attachments** – A large portfolio of Backhoe Loader Attachments, including but not limited to, Quick Couplers, Thumbs, assorted Buckets, and Brooms are available from the factory or for field installation. Cat Backhoe Loaders will be "Dirt Ready" upon delivery.
- **Powershift Transmission** – A Four Speed Powershift Transmission is standard to make shifting gears smooth and as simple as twisting the Powershuttle Lever.
- **Spring Applied Hydraulically Released (SAHR) Parking Brake** – The SAHR Parking Brake is activated at the push of a button and automatically engages when the machine is powered down.
- **Lift Performance** – The redesigned boom cylinder increases lift performance by 15%.

Specifications

Engine

Engine	C3.6 74.5 kW (100 hp) Electronic Turbo Intercooled	
Ratings at 2,200 rpm		
Gross Power SAE J1995	76 kW	102 hp
Gross Power ISO 14396	74 kW	100 hp
Net Power Rating at 2,200 rpm		
SAE J1349	68 kW	92 hp
ISO 9249	68 kW	91 hp
Net Peak Power Rating@ 1,800 rpm		
SAE J1349	79 kW	105 hp
ISO 9249	78 kW	105 hp
Dimensions		
Bore	98 mm	3.86 in
Stroke	120 mm	4.72 in
Displacement	3.6 L	220 in ³
Torque Rise (net) at 1,400 rpm	47%	
SAE J1349 Net	436 N·m	322 lb·ft
Power Rating Conditions		
No de-rating required up to	3048 m	10,000 ft

- Engine meets Tier 4 Final/Stage V emission standards.

Weights*

Operating Weight (estimated)	7834 kg	17,271 lb
Operating Weight (maximum) (ROPS capacity)	11 000 kg	24,251 lb
Operating Weight (minimum)	7384 kg	16,279 lb
Cab, ROPS/FOPS	145 kg	320 lb
Power-Shift Transmission	STD	STD
Ride Control	15 kg	33 lb
Air Conditioning	45 kg	99 lb
All-Wheel Drive	STD	STD
MP bucket (0.96 m ³ /1.25 yd ³)		
with fold-over forks	915 kg	2,017 lb
without fold-over forks	745 kg	1,642 lb
Loader QC	245 kg	540 lb
Extendible Stick (excludes ft. counterweight)	270 kg	595 lb
Counterweights, base	115 kg	256 lb
Stackable, one	240 kg	529 lb
Maximum	460 kg	1,014 lb

*Machine configuration: standard stick hoe, OROPS canopy, AWD power shift transmission, 0.96 m³ (1.25 yd³) GP loader bucket, 610 mm (24 in) standard duty hoe bucket, 340/80-18 and rear 500/70-24 tires, 240 kg (530 lb) counterweight, 80 kg (176 lb) operator, full fuel tank.



420 Backhoe Loader

Transmission*

Power Shift Transmission – Standard

Forward – 1st	5.9 km/h	3.7 mph
2nd	9.4 km/h	5.8 mph
3rd	20 km/h	12 mph
4th	41 km/h	25 mph
Reverse – 1st	5.9 km/h	3.7 mph
2nd	12.4 km/h	7.7 mph
3rd	27 km/h	17 mph

	Power-Shift Transmission – Optional		Power-Shift Transmission with LTC – Optional	
Forward – 1st	5.9 km/h	3.7 mph	5.9 km/h	3.7 mph
2nd	9.4 km/h	5.8 mph	9.4 km/h	5.8 mph
3rd	12 km/h	8 mph	12 km/h	8 mph
4th	20 km/h	12 mph	20 km/h	12 mph
5th	27 km/h	17 mph	27 km/h	17 mph
5th LTC	—	—	29 km/h	18 mph
6th	41 km/h	25 mph	41 km/h	25 mph
6th LTC**	—	—	40 km/h	25 mph
Reverse – 1st	5.9 km/h	3.7 mph	5.9 km/h	3.7 mph
2nd	12 km/h	7.7 mph	12 km/h	7.7 mph
3rd	27 km/h	17 mph	27 km/h	17 mph

*Travel speeds of two wheel drive backhoe loader at full throttle, when equipped with 500/70-24 rear tires.

**Limited by engine speed to 40 km/h (25 mph).

Axle Ratings

Front Axle, AWD

Static	23 500 kg	51,808 lb
Dynamic	9000 kg	19,841 lb

Rear Axle

Static	26 500 kg	58,422 lb
Dynamic	10 000 kg	22,046 lb

Hydraulic System

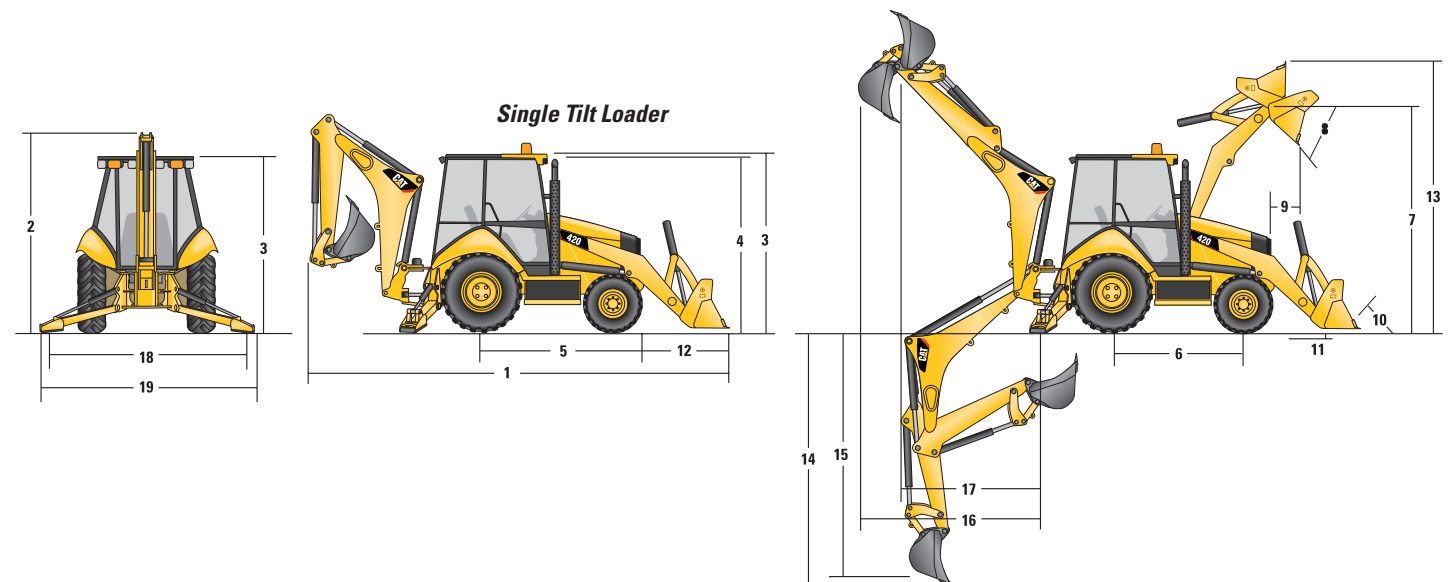
Type	Closed Center	
Pump Type	Variable-flow, Axial Piston	
Pump Capacity @ 2,200 rpm	187 L/min	49.4 gal/min
System Pressure		
Backhoe	25 000 kPa	3,626 psi
Loader	25 000 kPa	3,626 psi

Steering

Type	Front Wheel	
Power Steering	Hydrostatic	
One Double-Acting Cylinder		
Bore	65 mm	2.6 in
Stroke	106 mm	4.2 in
Rod Diameter	40 mm	1.6 in
Axle Oscillation	11°	
Turning Circle – (inner wheel not braked)		
Outside front wheels	8.205 m	26'11"
Outside widest loader bucket	10.745 m	35'3"

Service Refill Capacities

Cooling System with Air Conditioning	18.0 L	4.8 gal
Fuel Tank	160.0 L	42.3 gal
Engine Oil with Filter	9.0 L	2.4 gal
Diesel Exhaust Fluid (DEF)	19.0 L	5.0 gal
Transmission – Power shuttle		
AWD	18.0 L	4.8 gal
Transmission – Power Shift		
AWD	19.0 L	5.0 gal
Rear Axle	16.0 L	4.2 gal
Planetaries	1.7 L	0.4 gal
Front Axle (AWD)	11.0 L	2.9 gal
Planetaries	0.7 L	0.2 gal
Hydraulic System	95.0 L	25.1 gal
Hydraulic Tank	42.0 L	11.1 gal



Dimensions

Machine configuration: standard stick hoe, OROPS canopy, AWD power shift transmission, 0.96 m³ (1.25 yd³) GP loader bucket, 610 mm (24 in) standard duty hoe bucket, 340/80-18 and rear 500/70-24 tires, 240 kg (530 lb) counterweight, 80 kg (176 lb) operator, full fuel tank.

Single Tilt Loader with Pin-On Buckets

	0.96 m ³ (1.25 yd ³) GP	1.0 m ³ (1.31 yd ³) GP	1.07 m ³ (1.40 yd ³) GP	1.15 m ³ (1.50 yd ³) GP	1.0 m ³ (1.31 yd ³) MP	1.07 m ³ (1.40 yd ³) MP
1 Overall Length (loader on ground) – S-Stick – mm (ft/in)	7132 (23'5")	7087 (23'3")	7153 (23'6")	7153 (23'6")	7060 (23'2")	7060 (23'2")
Overall Length (loader on ground) – E-Stick – mm (ft/in)	7138 (23'5")	7093 (23'3")	7158 (23'6")	7158 (23'6")	7066 (23'2")	7066 (23'2")
Overall Transport Length – S-Stick – mm (ft/in)	7163 (23'6")	7130 (23'5")	7201 (23'7")	7201 (23'7")	7131 (23'5")	7131 (23'5")
Overall Transport Length – E-Stick – mm (ft/in)	7190 (23'7")	7135 (23'5")	7206 (23'8")	7206 (23'8")	7136 (23'5")	7136 (23'5")
2 Overall Transport Height – Standard Stick – mm (ft/in)	3645 (12'0")	3645 (12'0")	3645 (12'0")	3645 (12'0")	3645 (12'0")	3645 (12'0")
Overall Transport Height – Extendible Stick – mm (ft/in)	3665 (12'0")	3665 (12'0")	3665 (12'0")	3665 (12'0")	3665 (12'0")	3665 (12'0")
Overall Width – mm (ft/in)	2248 (7'5")	2248 (7'5")	2248 (7'5")	2248 (7'5")	2248 (7'5")	2248 (7'5")
3 Height to Top of Cab/Canopy – mm (ft/in)	2815 (9'3")	2815 (9'3")	2815 (9'3")	2815 (9'3")	2815 (9'3")	2815 (9'3")
4 Height to Top of Exhaust Stack – mm (ft/in)	2720 (8'11")	2720 (8'11")	2720 (8'11")	2720 (8'11")	2720 (8'11")	2720 (8'11")
Height to Loader Hinge Pin (transport) – mm (ft/in)	378 (1'3")	378 (1'3")	422 (1'5")	422 (1'5")	420 (1'5")	420 (1'5")
Ground Clearance (LH step) – mm (ft/in)	316 (1'0")	316 (1'0")	316 (1'0")	316 (1'0")	316 (1'0")	316 (1'0")
Ground Clearance (AWD guard) – mm (ft/in)	312 (1'0")	312 (1'0")	312 (1'0")	312 (1'0")	312 (1'0")	312 (1'0")
Ground Clearance (485 kg/1,070 lb counterweight) – mm (ft/in)	289 (0'11")	289 (0'11")	289 (0'11")	289 (0'11")	289 (0'11")	289 (0'11")
5 Rear Axle Centerline to Front Grill – mm (ft/in)	2706 (8'11")	2706 (8'11")	2706 (8'11")	2706 (8'11")	2706 (8'11")	2706 (8'11")
Front Wheel Tread Gauge – mm (ft/in)	1895 (6'3")	1895 (6'3")	1895 (6'3")	1895 (6'3")	1895 (6'3")	1895 (6'3")
Rear Wheel Tread Gauge – mm (ft/in)	1728 (5'8")	1728 (5'8")	1728 (5'8")	1728 (5'8")	1728 (5'8")	1728 (5'8")
6 Wheelbase – mm (ft/in)	2200 (7'3")	2200 (7'3")	2200 (7'3")	2200 (7'3")	2200 (7'3")	2200 (7'3")

Single Tilt Loader with Quick Coupler

	0.96 m ³ (1.25 yd ³) GP	1.0 m ³ (1.31 yd ³) GP	1.15 m ³ (1.50 yd ³) GP	1.0 m ³ (1.31 yd ³) MP	1.07 m ³ (1.40 yd ³) MP
1 Overall Length (loader on ground) – S-Stick – mm (ft/in)	7314 (24'0")	7269 (23'10")	7311 (24'0")	7221 (23'8")	7221 (23'8")
Overall Length (loader on ground) – E-Stick – mm (ft/in)	7319 (24'0")	7275 (23'10")	7316 (24'0")	7226 (23'9")	7226 (23'9")
Overall Transport Length – S-Stick – mm (ft/in)	7290 (23'11")	7257 (23'10")	7288 (23'11")	7219 (23'8")	7219 (23'8")
Overall Transport Length – E-Stick – mm (ft/in)	7296 (23'11")	7262 (23'10")	7294 (23'11")	7224 (23'8")	7224 (23'8")
2 Overall Transport Height – Standard Stick – mm (ft/in)	3645 (12'0")	3645 (12'0")	3645 (12'0")	3645 (12'0")	3645 (12'0")
Overall Transport Height – Extendible Stick – mm (ft/in)	3665 (12'0")	3665 (12'0")	3665 (12'0")	3665 (12'0")	3665 (12'0")
Overall Width – mm (ft/in)	2248 (7'5")	2248 (7'5")	2248 (7'5")	2248 (7'5")	2248 (7'5")
3 Height to Top of Cab/Canopy – mm (ft/in)	2815 (9'3")	2815 (9'3")	2815 (9'3")	2815 (9'3")	2815 (9'3")
4 Height to Top of Exhaust Stack – mm (ft/in)	2720 (8'11")	2720 (8'11")	2720 (8'11")	2720 (8'11")	2720 (8'11")
Height to Loader Hinge Pin (transport) – mm (ft/in)	345 (1'2")	346 (1'2")	346 (1'2")	344 (1'2")	344 (1'2")
Ground Clearance (LH step) – mm (ft/in)	316 (1'0")	316 (1'0")	316 (1'0")	316 (1'0")	316 (1'0")
Ground Clearance (AWD guard) – mm (ft/in)	312 (1'0")	312 (1'0")	312 (1'0")	312 (1'0")	312 (1'0")
Ground Clearance (485 kg/1,070 lb counterweight) – mm (ft/in)	289 (0'11")	289 (0'11")	289 (0'11")	289 (0'11")	289 (0'11")
5 Rear Axle Centerline to Front Grill – mm (ft/in)	2706 (8'11")	2706 (8'11")	2706 (8'11")	2706 (8'11")	2706 (8'11")
Front Wheel Tread Gauge – mm (ft/in)	1895 (6'3")	1895 (6'3")	1895 (6'3")	1895 (6'3")	1895 (6'3")
Rear Wheel Tread Gauge – mm (ft/in)	1728 (5'8")	1728 (5'8")	1728 (5'8")	1728 (5'8")	1728 (5'8")
6 Wheelbase – mm (ft/in)	2200 (7'3")	2200 (7'3")	2200 (7'3")	2200 (7'3")	2200 (7'3")

420 Backhoe Loader

Dimensions

Machine configuration: standard stick hoe, OROPS canopy, AWD power shift transmission, 0.96 m³ (1.25 yd³) GP loader bucket, 610 mm (24 in) standard duty hoe bucket, 340/80-18 and rear 500/70-24 tires, 240 kg (530 lb) counterweight, 80 kg (176 lb) operator, full fuel tank.

Loader Bucket Dimensions and Performance

Single Tilt Loader with Pin-On Buckets												
	0.96 m³ (1.25 yd³) GP		1.0 m³ (1.31 yd³) GP		1.07 m³ (1.40 yd³) GP		1.15 m³ (1.50 yd³) GP		1.0 m³ (1.31 yd³) MP		1.07 m³ (1.40 yd³) MP	
Capacity (SAE rated) – m³ (yd³)	0.96	(1.26)	1.00	(1.31)	1.07	(1.40)	1.15	(1.50)	1.00	(1.31)	1.07	(1.40)
Overall Bucket Width – mm (in)	2262	(89)	2406	(95)	2262	(89)	2406	(95)	2279	(90)	2425	(95)
Lift Capacity at Maximum Height – kg (lb)	3280	(7,230)	3286	(7,245)	3213	(7,084)	3192	(7,038)	3059	(6,745)	3047	(6,717)
Lift Breakout Force – N (lbf)	50 179	(11,280)	50 941	(11,452)	49 644	(11,160)	49 467	(11,120)	49 114	(11,041)	49 017	(11,019)
Tilt Breakout Force – N (lbf)	49 891	(11,216)	53 037	(11,923)	50 945	(11,452)	50 834	(11,428)	56 242	(12,643)	56 166	(12,626)
Tipping Load at Breakout Point – kg (lb)	6663	(14,689)	6821	(15,038)	6562	(14,467)	6545	(14,430)	6699	(14,769)	6690	(14,748)
7 Maximum Hinge Pin Height – mm (ft/in)	3488	(11'5")	3488	(11'5")	3488	(11'5")	3488	(11'5")	3488	(11'5")	3488	(11'5")
8 Dump Angle at Full Height – degrees	44°		44°		44°		44°		44°		44°	
Dump Height at Maximum Angle – mm (ft/in)	2758	(9'1")	2790	(9'2")	2736	(9'0")	2736	(9'0")	2803	(9'2")	2803	(9'2")
9 Dump Reach at Maximum Angle – mm (ft/in)	807	(2'8")	774	(2'6")	773	(2'6")	773	(2'6")	722	(2'4")	722	(2'4")
10 Maximum Bucket Rollback at Ground Level – degrees	36°		36°		37°		37°		37°		37°	
11 Digging Depth – mm (ft/in)	70	(0'3")	70	(0'3")	110	(0'4")	110	(0'4")	97	(0'4")	97	(0'4")
Maximum Grading Angle – degrees	113°		114°		114°		114°		116°		116°	
Width of Dozer Cutting Edge – mm (ft/in)	N/A		N/A		N/A		N/A		2262	(7'5")	2406	(7'11")
12 Grill to Bucket Cutting Edge, Carry Position – mm (ft/in)	1480	(4'10")	1447	(4'9")	1518	(5'0")	1517	(5'0")	1447	(4'9")	1447	(4'9")
13 Maximum Operating Height – mm (ft/in)	4356	(14'3")	4354	(14'3")	4366	(14'4")	4397	(14'5")	4378	(14'4")	4407	(14'6")
Jaw Opening Maximum – mm (ft/in)	N/A		N/A		N/A		N/A		843	(2'9")	843	(2'9")
Bucket Jaw Clamping Force – N (lbf)	N/A		N/A		N/A		N/A		40 160	(9,028)	40 261	(9,051)
Weight (does not include teeth or forks) – kg (lb)	451	(994)	462	(1,019)	473	(1,043)	493	(1,087)	745	(1,642)	774	(1,706)

Single Tilt Loader with Quick Coupler												
	0.96 m³ (1.25 yd³) GP		1.0 m³ (1.31 yd³) GP		1.15 m³ (1.50 yd³) GP		1.0 m³ (1.31 yd³) MP		1.07 m³ (1.40 yd³) MP			
Capacity (SAE rated) – m³ (yd³)	0.96	(1.26)	1.00	(1.31)	1.15	(1.50)	1.00	(1.31)	1.07	(1.40)		
Overall Bucket Width – mm (in)	2262	(89)	2406	(95)	2406	(95)	2279	(90)	2425	(95)		
Lift Capacity at Maximum Height – kg (lb)	3361	(7410)	3364	(7416)	3328	(7336)	3245	(7153)	3207	(7069)		
Lift Breakout Force – N (lbf)	51 954	(11,679)	52 665	(11,839)	51 662	(11,614)	51 690	(11,620)	51 431	(11,562)		
Tilt Breakout Force – N (lbf)	51 516	(11,581)	54 168	(12,177)	51 227	(11,516)	55 471	(12,470)	55 300	(12,431)		
Tipping Load at Breakout Point – kg (lb)	5883	(12,971)	6007	(13,243)	5858	(12,915)	5982	(13,187)	5957	(13,132)		
7 Maximum Hinge Pin Height – mm (ft/in)	3488	(11'5")	3488	(11'5")	3488	(11'5")	3488	(11'5")	3488	(11'5")		
8 Dump Angle at Full Height – degrees	44°		44°		44°		44°		44°			
Dump Height at Maximum Angle – mm (ft/in)	2623	(8'7")	2654	(8'9")	2625	(8'7")	2690	(8'10")	2690	(8'10")		
9 Dump Reach at Maximum Angle – mm (ft/in)	887	(2'11")	855	(2'10")	886	(2'11")	832	(2'9")	832	(2'9")		
10 Maximum Bucket Rollback at Ground Level – degrees	37°		37°		37°		37°		37°			
11 Digging Depth – mm (ft/in)	111	(0'4")	111	(0'4")	110	(0'4")	101	(0'4")	101	(0'4")		
Maximum Grading Angle – degrees	109°		110°		109°		111°		111°			
Width of Dozer Cutting Edge – mm (ft/in)	N/A		N/A		N/A		2262	(7'5")	2406	(7'11")		
12 Grill to Bucket Cutting Edge, Carry Position – mm (ft/in)	1607	(5'3")	1573	(5'2")	1605	(5'3")	1535	(5'0")	1535	(5'0")		
13 Maximum Operating Height – mm (ft/in)	4439	(14'7")	4406	(14'5")	4484	(14'9")	4476	(14'8")	4531	(14'10")		
Jaw Opening Maximum – mm (ft/in)	N/A		N/A		N/A		843	(2'9")	843	(2'9")		
Bucket Jaw Clamping Force – N (lbf)	N/A		N/A		N/A		40 185	(9,034)	40 286	(9,056)		
Weight (does not include teeth or forks) – kg (lb)	447	(985)	457	(1,008)	481	(1,060)	724	(1,596)	753	(1,660)		

Dimensions

Machine configuration: standard stick hoe, OROPS canopy, AWD power shift transmission, 0.96 m³ (1.25 yd³) GP loader bucket, 610 mm (24 in) standard duty hoe bucket, 340/80-18 and rear 500/70-24 tires, 240 kg (530 lb) counterweight, 80 kg (176 lb) operator, full fuel tank.

Backhoe Dimensions and Performance

	Standard Stick		E-Stick Retracted		E-Stick Extended	
14 Digging Depth, SAE (max.) – mm (ft/in)	4278	(14'0")	4319	(14'2")	5372	(17'7")
15 Digging Depth, 2440 mm (8 ft) Flat Bottom – mm (ft/in)	3900	(12'10")	3944	(12'11")	5074	(16'8")
Digging Depth, 610 mm (2 ft) Flat Bottom – mm (ft/in)	4240	(13'11")	4280	(14'1")	5335	(17'6")
Reach from Rear Axle Centerline at Ground Line – mm (ft/in)	6690	(21'11")	6726	(22'1")	7731	(25'4")
16 Reach from Swing Pivot at Ground Line – mm (ft/in)	5600	(18'4")	5636	(18'6")	6641	(21'9")
Maximum Operating Height – mm (ft/in)	5598	(18'4")	5622	(18'5")	6364	(20'11")
Loading Height – mm (ft/in)	3709	(12'2")	3666	(12'0")	4237	(13'11")
17 Loading Reach – mm (ft/in)	1845	(6'1")	1932	(6'4")	2850	(9'4")
Swing Arc	180°		180°		180°	
Bucket Rotation	205°		204°		204°	
18 Stabilizer Spread, Operating Position (center) – mm (ft/in)	3310	(10'10")	3310	(10'10")	3310	(10'10")
Stabilizer Spread, Operating Position (outside) – mm (ft/in)	3770	(12'4")	3770	(12'4")	3770	(12'4")
Stabilizer Spread, Transport Position – mm (ft/in)	2322	(7'7")	2322	(7'7")	2322	(7'7")
Bucket Dig Force – N (lbf)	64 193	(14,431)	63 292	(14,229)	63 292	(14,229)
Stick Dig Force – N (lbf)	43 529	(9,786)	43 395	(9,756)	31 684	(7,123)

Dimensions with Forks/Material Handling Arm

Fork Tine Length	1070 mm (3'6")		1220 mm (4'0")		1370 mm (4'10")	
Operating Load (SAE J1197) – kg (lb)	2295	(5,060)	2221	(4,897)	2135	(4,708)
SAE Load Center – mm (in)	535	(1'9")	610	(2'0")	685	(2'3")
Operating Load (CEN 474-4) – kg (lb)	2352	(5,186)	2337	(5,151)	2320	(5,115)
CEN Load Center – mm (ft/in)	500	(1'8")	500	(1'8")	500	(1'8")
Overall Length (A) (forks on ground) – mm (ft/in)	7648	(25'1")	7798	(25'7")	7948	(26'1")
Reach at Ground (from grill to heel of fork) – mm (ft/in)	939	(3'1")	939	(3'1")	938	(3'1")
Maximum Reach (from grill to heel of fork) – mm (ft/in)	1524	(5'0")	1524	(5'0")	1524	(5'0")
Fork Height at Maximum Reach – mm (ft/in)	1619	(5'4")	1619	(5'4")	1619	(5'4")
Reach at Maximum Height (from grill to heel of fork) – mm (ft/in)	749	(2'5")	749	(2'5")	749	(2'5")
Maximum Fork Height – mm (ft/in)	3418	(11'3")	3418	(11'3")	3418	(11'3")
Maximum Fork Depth (below ground level) – mm (ft/in)	–38	(–1'11")	–38	(–1'10")	–39	(–1'10")

Material Handling Arm Position	Retracted		Mid-Position		Extended	
Operating Load (SAE J1197 and CEN 474-4) – kg (lb)*	1524	(3,360)	1030	(2,271)	758	(1,671)
Overall Length, Maximum – mm (ft/in)	8904	(29'3")	9904	(32'6")	10 902	(35'9")
Reach at Maximum Depth (from machine nose) – mm (ft/in)	544	(1'9")	550	(1'10")	557	(1'10")
Maximum Depth – mm (ft/in)	2618	(8'7")	3618	(11'10")	4616	(15'2")
Maximum Reach (from machine nose) – mm (ft/in)	3221	(10'7")	4221	(13'10")	5219	(17'1")
Height at Maximum Reach – mm (ft/in)	1118	(3'8")	1124	(3'8")	1130	(3'8")
Reach at Maximum Height (from machine nose) – mm (ft/in)	1783	(5'10")	2473	(8'1")	3161	(10'4")
Maximum Height – mm (ft/in)	4445	(14'7")	5169	(16'11")	5891	(19'4")

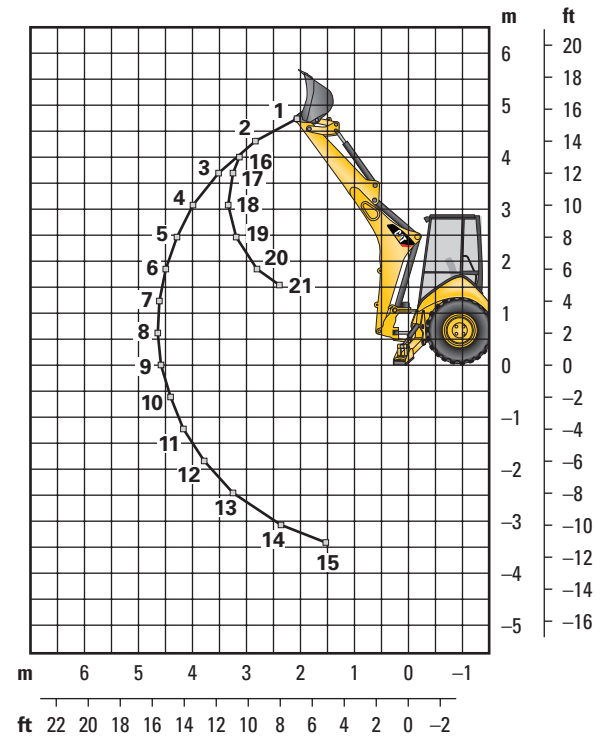
*These numbers are hydraulically limited.

420 Backhoe Loader

Backhoe Lift Capacity

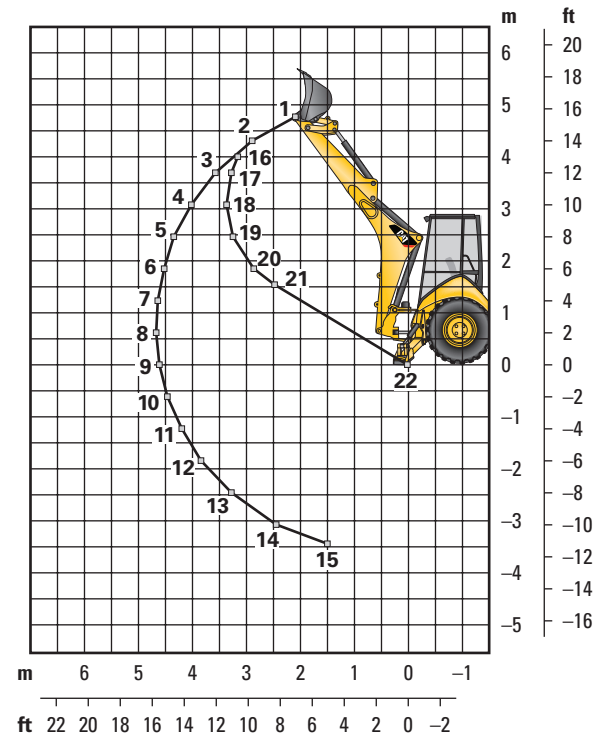
Cat 420 Standard Stick

Boom Lifting		kg	lb
1		1842	4,060
2		2009	4,429
3		2008	4,427
4		1951	4,301
5		1880	4,145
6		1808	3,986
7		1739	3,833
8		1673	3,689
9		1613	3,556
10		1558	3,435
11		1509	3,327
12		1468	3,237
13		1441	3,176
14		1455	3,208
15		1590	3,506
Stick Lifting			
16		2170	4,785
17		2642	5,823
18		2933	6,465
19		3069	6,767
20		3626	7,994
21		4441	9,790



Cat 420 Extendible Stick – Retracted

Boom Lifting		kg	lb
1		1658	3,656
2		1814	3,999
3		1806	3,982
4		1748	3,853
5		1677	3,696
6		1604	3,536
7		1534	3,382
8		1468	3,236
9		1407	3,101
10		1350	2,976
11		1299	2,864
12		1255	2,766
13		1221	2,692
14		1219	2,687
15		1333	2,938
Stick Lifting			
16		2019	4,451
17		2467	5,438
18		2729	6,016
19		2854	6,292
20		3359	7,405
21		4057	8,944
22		0	0

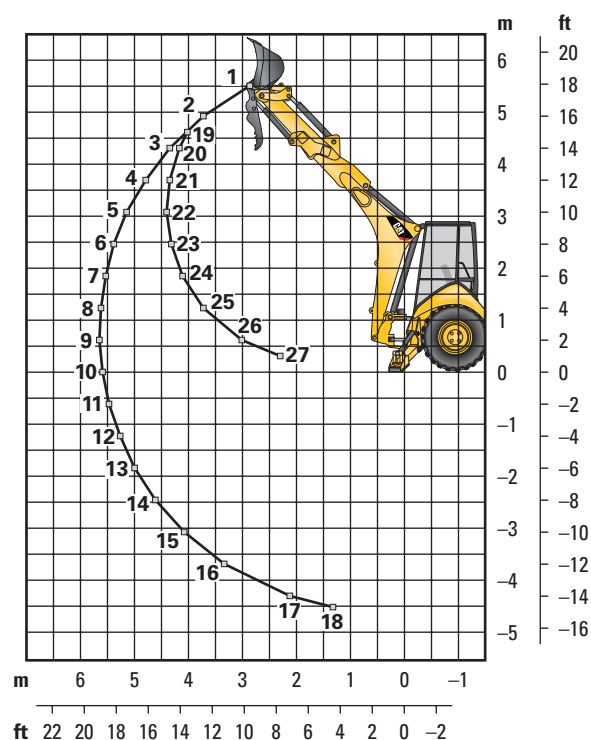


Lift capacities are over-end values calculated according to SAE J31. Values are 87% of the maximum lift force available.
Machine equipped with AWD, OROPS, 0.96 m³ (1.25 yd³) general purpose bucket and 240 kg (530 lb) counterweight.
Extendible stick includes 460 kg (1,015 lb) counterweight.

Backhoe Lift Capacity

Cat 420 Extendible Stick – Extended

Boom Lifting		kg	lb
1		984	2,169
2		1191	2,625
3		1216	2,681
4		1119	2,467
5		1065	2,347
6		1039	2,290
7		1036	2,283
8		1052	2,320
9		1090	2,403
10		1105	2,436
11		1079	2,379
12		1056	2,328
13		1037	2,287
14		1026	2,261
15		1027	2,263
16		1058	2,332
17		1243	2,740
18		1694	3,734
Stick Lifting			
19		928	2,046
20		1159	2,555
21		1485	3,273
22		1715	3,782
23		1912	4,216
24		2052	4,525
25		2343	5,165
26		3105	6,845
27		4455	9,821



Lift capacities are over-end values calculated according to SAE J31. Values are 87% of the maximum lift force available.
 Machine equipped with AWD, OROPS, 0.96 m³ (1.25 yd³) general purpose bucket and 240 kg (530 lb) counterweight.
 Extendible stick includes 460 kg (1,015 lb) counterweight.

420 Backhoe Loader

Counterweights (Minimum Counterweight Recommendations)

Standard Stick Loader Bucket	Pin-On Bucket		Loader QC	
	kg	lb	kg	lb
GP	240	530	0	0
MP	0	0	0	0
Forks	N/A	N/A	0	0
Material Handling Arm	N/A	N/A	0	0

Extendible Stick Loader Bucket	Pin-On Bucket		Loader QC	
	kg	lb	kg	lb
GP	460	1,015	240	530
MP	240	530	0	0
Forks	N/A	N/A	240	530
Material Handling Arm	N/A	N/A	240	530

Backhoe Buckets (With weld on adapters and pin-on teeth)

Standard Duty

Width		Rated Capacity		Weight		No. of Teeth
mm	in	L	ft³	kg	lb	
305	12	80	2.8	111	245	3
457	18	120	4.2	122	268	4
610	24	180	6.4	141	311	5
762	30	230	8.1	157	345	5
914	36	290	10.2	176	388	6

Heavy Duty

Width		Rated Capacity		Weight		No. of Teeth
mm	in	L	ft³	kg	lb	
305	12	80	2.8	121	266	3
406	16	110	3.9	128	282	3
457	18	120	4.2	135	299	4
610	24	180	6.4	160	353	5
762	30	230	8.1	177	391	5
914	36	290	10.2	201	443	6

Soil Excavation

Width		Rated Capacity		Weight		No. of Teeth
mm	in	L	ft³	kg	lb	
457	18	180	6.4	155	341	4
610	24	240	8.5	182	402	5
762	30	320	11.3	206	454	5
914	36	380	13.4	233	513	6

Rock

Width		Rated Capacity		Weight		No. of Teeth
mm	in	L	ft³	kg	lb	
305	12	70	2.5	127	279	3
457	18	130	4.6	146	322	4
610	24	200	7.1	174	384	5
762	30	270	9.5	197	434	5
914	36	330	11.7	224	493	6

Coral

Width		Rated Capacity		Weight		No. of Teeth
mm	in	L	ft³	kg	lb	
305	12	60	2.1	134	295	4
457	18	100	3.5	155	341	6
610	24	140	4.9	182	402	8
762	30	190	6.7	210	463	10

STANDARD EQUIPMENT

- Adjustable auxiliary controls, backhoe loader
- Air cleaner
- Alarm, back-up
- Audible system fault alarm
- Automatic Engine Speed Control (AESC)
- Battery, maintenance-free, 850 CCA
- Battery disconnect switch
- Boom transport lock
- Brace, lift cylinder
- Brake, parking, Spring Applied Hydraulically Released (SAHR)
- Brakes, hydraulically boosted, oil disc, dual pedals, interlocking
- Bucket level indicator
- Canopy, ROPS/FOPS
- Cat cushion swing system
- Coat restraint
- Coolant/antifreeze, extended life
- Dome light (cab only)
- Diagnostic port for engine, machine and gauge cluster Electronic Control Modules
- Differential lock, loader joystick
- Drink holders, two
- Engine, Cat C3.6 (Direct Injection Turbocharged), meets Tier 4 Final/Stage V emission standards, Selective Catalytic Reduction, Diesel Oxidation Catalyst (DOC)
- Engine enclosure, sound suppression removal panels
- Face seals, O-ring
- Fan, suction and guard
- Fast reversing shuttle, all gears
- Fenders, rear
- Filters, spin-on: fuel, engine oil, transmission oil, water separator
- Filters, bowl and cartridge: hydraulic fluid
- Flashing hazards/signal lights
- Floor mat
- Four wheel drive
- Four wheel drive shaft guard
- Fuel tank, fully enclosed
- Fully hinged front grill for cooling package cleaning access
- Gauge cluster: coolant temperature, fuel level, torque converter temperature, DEF level
- Ground level fuel fill and DEF fill
- Halogen lights, working (2 front, 2 rear)
- High ambient cooling package
- Hood lock, inside cab
- Hydraulic hose, XT™
- Hydraulic oil cooler
- Hydraulic oil level sight gauge
- Hydraulic valves, loader 2 function
- Hydraulic valves, backhoe 4 function
- Hydraulics, load sensing with variable displacement piston pump
- Indicator lights: wait to start, water in fuel, engine warning, warning lamp, emissions module malfunction, low battery/charging system warning, high hydraulic oil temperature: LCD warnings: engine oil pressure, machine locked, service due, air filter blocked, high coolant temperature, auto idle shutdown, high torque converter temperature, hydraulic filter bypass
- Instrument panel lights
- Joystick controls: pilot operated, excavator-style with pattern changer
- Key start/stop system
- LCD operator display with soft key controls: engine speed, hour meter, gear/direction, battery voltage, hydraulic oil temperature, torque converter temperature, coolant temperature, trip totals (fuel and hours), lifetime totals (fuel and hours), operator settings (units, brightness, programmable hoe auxiliary flow), service mode diagnostics, maintenance intervals, ECM/system info
- Loader, self-leveling, return-to-dig and transmission disconnect switch
- Loader, single tilt
- Mirror, interior, rearview
- One-touch low idle
- Open circuit breather
- Pattern changer, in cab
- Power receptacle, 5 volt USB, 1 internal
- Power receptacle, 12 volt, 2 internal, 1 external
- Power steering, hydrostatic
- Product Link™, satellite, network manager
- Product Link, cellular, network manager
- Seat belt, retractable, 51 mm (2 in)
- Socket, two roof
- Stabilizer shoes, street
- Steering knob
- Seat, air suspension, vinyl cover, with armrest
- Stabilizers, EH Control, Auto-UP
- Starting system, glow plugs
- Steering column, tilting, telescopic
- Storage compartment, lockable
- Storage tray
- Stop and tail lights
- Swing transport lock
- Tires
- Toolbox, external, lockable
- Torque converter
- Throttle, hand and foot, electronic
- Transmission, 4 speed, powershift
- Transmission neutralizer switch
- Transport tie-downs
- Vandalism locks, four
- Warning horn, electric

420 Backhoe Loader

OPTIONAL EQUIPMENT

- Auxiliary hydraulics, loader, adjustable flow
- Auxiliary hydraulics, rear, adjustable flow
- Battery, additional, 850 CCA
- Cab, deluxe
- Cold weather fuel (–30° C/–22° F)
- Cold weather package, including additional battery, engine block heater, radiator antifreeze, cold weather fuel (–30° C/–22° F) and mounting for an ether bottle
- Counterweights, 115 kg (255 lb), 240 kg (530 lb) or 460 kg (1,015 lb)
- Fenders, front with integral steps
- Guard, boom protection plate
- Guard, stabilizer, rock
- Hydraulic valves, loader with auxiliary roller thumb control (3rd valve for MP or Quick Coupler)
- Hydraulic valves, backhoe (5th and 6th function)
- Hydraulic lines, combined function auxiliary
- LED lights, working (2 front, 2 rear)
- Quick Coupler, hydraulic, dual lock
- Quick Coupler, manual, dual lock
- Quick Coupler, manual, pin lock
- Radio and CD player, Bluetooth®
- Ride Control
- Rotating beacon, magnetic mount
- Seat, air suspension, fabric with armrest
- Seat, air suspension, fabric with armrest, heated
- Seat belt, retractable, 75 mm (3 in)
- Security system, Bluetooth
- Security system, operator display
- Side mirrors, cab, external
- Single Tilt Loader Coupler, Integrated Tool Carrier (IT) Interface
- Stabilizer pads, reversible
- Stick, extendible
- Touch screen LCD Display : engine speed, hour meter, gear/direction, battery voltage, hydraulic oil temperature, torque converter temperature, coolant temperature, trip totals (fuel and hours), lifetime totals (fuel and hours), operator settings (units, brightness, programmable hoe auxiliary flow), service mode diagnostics, maintenance intervals, ECM/system info
- Transmission, AutoShift with lock-up torque converter, 6 speed
- Vandalism protection, gauge cover
- Work Tool Attachments such as buckets, forks, material handling arms, augers, hammers, brooms, cold planers and vibratory plate compactors. See your Cat dealer for more information.

420 Backhoe Loader

For more complete information on Cat products, dealer services, and industry solutions, visit us on the web at www.cat.com

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AEHQ8243-01 (06-2020)
Replaces AEHQ8243
Build Number: 07A
(North America)



City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

CITY OF WESLACO

Invitation to Bid

NEW 4 X4 BACKHOE LOADER - RFB No.: 2020-21-13

Electronic "sealed" bids addressed to Homer Rhodes, will be accepted at the Weslaco City Hall Purchasing Office, 255 S. Kansas Avenue, Weslaco, Texas 78596, via electronic **DROP BOX** link until **10:00 A.M.** on **April 29, 2021**, at which time they will be opened and read aloud via ZOOM meeting.

NEW 4 X4 BACKHOE LOADER - RFB No.: 2020-21-13

Potential Bidders/Respondents are advised that the bid documents can be downloaded from the City of Weslaco bid stream web page address: <http://www.weslacotx.gov/open-government/bid-stream>, and may also be secured at the Weslaco City Hall Purchasing Office, 255 S. Kansas Avenue, Weslaco, Texas 78596, or by calling 956.447-2240. **Be advised that this website is the primary source of all bid documents. Obtaining bid information from a third-party planning room may lead to incomplete submissions. This website must be monitored regularly for addendums and/or bid notices. Bidders are responsible for obtaining all the necessary information required for a compliant bid.** If your company is contemplating on bidding this project you must submit a vendor's notice of intent form to the Purchasing Office. Electronic Bids will be accepted through Drop Box link provided in Addendum #1 by stated deadline and time.

The City of Weslaco reserves the right to accept or reject any or all bids, to waive any informalities, and to accept the bid to be the best value and most advantageous (as allowed in Local Government Code 252.043) to the City and to hold bids for a period of forty-five (45) days without taking action, for the purpose of reviewing the bids and investigation of bidders' qualifications prior to bid award. Bids submitted past the aforementioned date and time will not be accepted.

City of Weslaco

Homer Rhodes,
Purchasing Office
hrhodes@weslacotx.gov



VENDOR'S NOTICE OF INTENT TO SUBMIT A BID

If you intend to submit a bid for **New 4x4 Backhoe Loader - RFB No.: 2020-21-13** with the City of Weslaco as outlined in the specifications, please indicate your intention by signing, dating, and returning this form to the address below prior to **April 29, 2021** so that you may receive any addendums to the specifications should the need arise.

Homer Rhodes
City of Weslaco
Purchasing Office
255 S. Kansas Avenue
Weslaco, Texas 78596
Phone: 956.447.2240
hrhodes@weslacotx.gov

Name: <u>Santiago Morado</u>	Signature: <u>[Handwritten Signature]</u>
(print / contact person)	
Title: <u>Account Sales Rep</u>	Company/Agency: <u>Holt Cat</u>
Mailing Address: <u>10701 N. Highway 281</u>	City/State/Zip: <u>Edinburg TX 78549</u>
Phone: <u>(956) 373-0787</u>	Fax: <u>(956) 292-0592</u>
Email Address: <u>Santiago.morado@holtcat.com</u>	

Bid No.: 2020-21-13

**CITY OF WESLACO
REQUEST FOR BIDS
2020-21-13 New 4x4 Backhoe Loader
INSTRUCTIONS TO BIDDERS**

IT IS THE INTENT OF THESE SPECIFICATIONS TO DESCRIBE AND GOVERN THE PURCHASE PRICE OF NEW 4X4 BACKHOE LOADER REQUESTED. PROSPECTIVE BIDDERS ARE TO FILL THE FOLLOWING BLANK FORMS AND SUBMIT WITH THEIR BID.

In connection with this RFB, interested Bidders should limit their contact to the City of Weslaco by communicating only with Homer Rhodes, at (956) 447-2240 regarding this RFB. Contact with persons other than Mr. Rhodes regarding this RFB may be grounds for eliminations from the selection process.

MINIMUM SPECIFICATIONS:

1. Bid shall be submitted properly marked / identified in a PDF file via DROP BOX. Each form must be completely filled out. Bid must be filed with the City of Weslaco before opening day and hour. Bids submitted past the set deadline will not be accepted. Failure to meet request for Bid requirements may be grounds for disqualification.
2. Bid MUST give full firm name and address of respondent, and be manually signed. Failure to do so will disqualify your Bid. Person signing Bid must show title or **AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT.** Firm name and authorized signature must appear on each page that calls for this information.
3. Bid **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by bidder guaranteeing authenticity. No Bid may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Weslaco.
4. It is the responsibility of the Supplier to verify that the New 4x4 Backhoe Loader meet specifications. Failure to do so or failure of the product itself will cause to cancel all existing or pending order. The City of Weslaco reserves the right to request demonstrations and view/inspect the New 4x4 Backhoe Loader Trailer at the City's discretion to confirm the quality. Any deviation from these instructions will be subject to Bid cancellation.
5. In order for the City to meet its needs, it is understood that during the period of the contract, should the successful bidder be unable to supply the New 4x4 Backhoe Loader, the City reserves the right to obtain the product from available sources.
6. Bids shall be analyzed on a total dollar value and what is considered the best value and most advantageous to the City (as allowed in Local Government Code 252.043).
7. It shall be the legal obligation of the bidder during the term of the contract, to notify the Purchasing Office of any price decrease in the market and accordingly, reduced prices will be in effect with appropriate documentation as described above.

8. The bidder agrees to indemnify and hold harmless the City of Weslaco from all suits and actions of every nature and description brought against, for or on account of the use of patented appliances, products or processes. Awarded bidder/vendor shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request from Purchasing Office, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used.
9. Bidder shall carefully examine the Bid forms, requirements/specifications, and instructions to bidders. Should the bidder find discrepancies in, or omissions from Bid forms, specifications or other documents, or should he/she be in doubt as to their meaning, he/she should at once notify the Purchasing Office, Weslaco City Hall, 956.447.2240 and obtain clarification by addendum prior to submitting any Bids. **Request for Information (RFI) deadline is 4/23/21 at 10:00 AM**
10. **Addenda and Interpretations:**
No Interpretations of the meaning of the specifications or other pre-bid documents will be made orally to any bidder. **RFI's must be emailed in writing addressed to Homer Rhodes hrrhodes@weslacotx.gov** and to be given consideration must be received at least three (3) days prior to the date fixed for the opening of bids. Any and all such interpretations and any supplemental instruction will be in the form of written addenda for specifications which, if issued, will be posted on City website: <http://www.weslacotx.gov/open-government/bid-stream> or e-mailed (at the respective address furnished for such purposes), not later than three (3) days prior to the *date fixed for the opening of bids*. *Failure of any bidder to receive any such addenda or interpretation shall not relieve such bidder from any obligation under his bid as submitted.* All addenda so issued shall become part of the contract documents.
11. The City of Weslaco reserves the right to refuse and reject any or all bids and to waive any or all informalities or technicalities and to accept the bid to be the best value and most advantageous (**as allowed in Local Government Code 252.043**) to the City and to hold the Bids for a period of forty-five (45) days without taking action. Bids submitted past the aforementioned date and time will not be accepted.

SPECIFICATIONS

RFB 2020-21-13

New 4x4 Backhoe Loader

SCOPE

It is the intent of these specifications to describe a New Backhoe Loader for purchase by City of Weslaco. All parts not specifically mentioned which are necessary to provide a complete Backhoe Loader, shall be included in the bid and shall conform to the standards and quality of materials and workmanship generally provided by the industry. All specifications are considered minimum unless otherwise indicated. Backhoe Loader exceeding the minimum specifications will be considered.

Freight/Delivery

Backhoe Loader shall be quoted with delivery, to be delivered by the vendor to the City of Weslaco Public Works city shop.

CONDITION

The successful bidder shall be responsible for delivery of Backhoe Loader that is properly serviced, clean and in first class operating condition. Pre-delivery service, at a minimum, shall include the following:

- Fully serviced
- Complete lubrication
- Check all fluid levels to assure proper operating conditions
- Inflate tires to proper pressure
- Check operation of all mechanical features and electronic accessories, gauges, lights, etc.

WARRANTY

Warranty information to be submitted with the bids for 100 percent coverage of parts and labor and indicating length of time of warranty with the warranty starting date being the date of acceptance of the Backhoe Loader by City of Weslaco. Please state the Manufactures Standard Warranty.

DELIVERY DATE

City of Weslaco prefers that the Backhoe Loader be delivered before August 30, 2021. Should this not be possible please indicated this on the price and delivery form. Being able to meet this delivery date will be a factor in the award of this bid. City of Weslaco will NOT accept any Backhoe Loader with Salvage Title. In addition to equipment specified, Backhoe Loader shall be equipped with all standard equipment as specified by the manufacturer for this model.

TOTAL COST OF OWNERSHIP WILL BE CONSIDERED

City of Weslaco will award to the lowest and most advantageous bid submitted. This will include a consideration of the total cost of ownership (maintenance, resale value, etc.) as well as delivery time.

SPECIFICATIONS

BACKHOE LOADER

Quantity: One (1) NEW Backhoe Loader

Minimum Specifications:

Operators Cabin: Closed Cab with Air Condition/Heater/Defrost

Year model: 2020 (New)

Engine: Final Tier 4 (100hp)

Drive: Four Wheel Drive

Loader Bucket: 1 yard (removable for multi attachments)

Prep for Hydraulic Hose Attachment (future purchase)

Backhoe Construction Bucket: 24" with 5 teeth

Brake System: Wet Multi Disc

Safety Lighting: 4 LED flashing lights (2 front / 2 Rear) 1 Beacon light on top of cab

Work Lighting: 6 LED Spotlights (2 front / 4 Rear)

Dig Depth: 14 ft (No Extension)

Color: Factory standard color

CITY OF WESLACO

NEW 4X4 BACKHOE LOADER RFB NO.: 2020-21-13
BID FORM

Total Fixed Firm Price for (1) One unit as specified: \$ 103,000.00

(Delivered to 1912 Joe Stephens Ave, Weslaco, TX 78599)

Notes:

1) Price is to include live demonstration of New 4x4 Backhoe Loader upon delivery of unit

Delivery Time days (from receipt of purchase order) Approx 120 days - mid August 2021

Year: 2021 Condition: New ✓

Make and Model: CAT 420 IT4CS

OPTIONAL ADD ON (ALTERNATE BID 1):

Sandbagging Attachment minimum 20 bags at a time

Price to include install of all hoses needed to operate sand bagger.

Total Price : \$ 17,450.00

List warranty information:

Please list any exceptions or considerations taken to specification:

Optional price includes; sand bag attachment (20 bags)
& 6000 bags. Machine will come with front bucket &
forks.

CITY OF WESLACO

NEW 4X4 BACKHOE LOADER
BID AGREEMENT FORM

The Holt Cat (bidder), having read the specifications, proposes to furnish a New 4x4 Backhoe Loader for the full and firm agreed price and within a favorable delivery time, in full compliance with the specifications.

Respectfully submitted this 28th day of April, 2021

The undersigned affirms that they are duly authorized to execute this price agreement / contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Company Name: Holt Cat

Address: 10701 N. Hwy 281

City/State/Zip: Edinburg TX 78541

Phone Number: (956) 373-0787 Fax Number: (956) 292-0592

Authorized Signature: [Signature] Title: Account Sales Rep

Santiago R Morado
Print Name

E-mail Santiago.morado@holtcat.com

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farlas, Commissioner, District 4
Lety Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

New 4x4 Backhoe Loader - RFB No.: 2020-21-13

Addendum No.: 1

April 13, 2021

Notice is hereby given to all prospective respondents of the following:

1. Due to Covid19 Pandemic and recommendations from Weslaco Emergency Operations Center – Safety Plan, The City is requesting all vendors to submit responses via electronic submissions. Below is a **DROP BOX** link in which carriers can upload their responses. The City prefers to receive uploaded documentation in PDF format and large files compressed into a (ZIP) zip file. Uploaded files must be named accordingly to the Vendor name and RFB number.

Here is the **DROPBOX** link:

<https://www.dropbox.com/request/jVHTc9LVmwwN9JkUnch9>

Bid deadline: April 29, 2021 10:00 AM Central Time (US and Canada)

2. Bid Opening / Zoom Meeting:

Time: April 29, 2021 10:00 AM Central Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87037500747?pwd=Y21XblpybkFlaGhYbW9VdUZlWmJlUT09>

Meeting ID: 870 3750 0747

Passcode: 216652

877 853 5247 US Toll-free

Homer Rhodes,

hrhodes@weslacotx.gov

Purchasing Agent

Acknowledged by Firm:

date:

4/23/21

NPE**NUECES POWER EQUIPMENT**CORPUS CHRISTI, TX
(361) 289-0066**PURCHASE CONTRACT**EL PASO, TX
(915) 541-0066LAREDO, TX
(956) 725-0066VICTORIA, TX
(361) 576-0066SAN BENITO, TX
(956) 361-0066HOUSTON, TX
(713) 247-0066SAN ANTONIO, TX
(210) 310-0066

CUSTOMER	NAME	
	CITY OF WESLACO	
	255 S. KANSAS AVE	
	WESLACO, TX 78596	

DATE
April 28, 2021

NPE P.O. BOX 4789 CORPUS CHRISTI, TEXAS 78469-4789

QTY	NEW USED	MODEL	SERIAL NUMBER	STOCK NO.	DESCRIPTION	CASH PRICE
1	NEW	580SN			CASE 580SN LOADER BACKHOE	101,302.00
					CAB, AC/HEAT, LEFT-H DOOR, STEREO, LED LIGHTS	
					CLOTH SUSPENSION SEAT	
					EXTENDAHOE WITH AUXILIARY HYDRAULICS	
					4 WHEEL DRIVE	
					LOADER PERFORMANCE PKG: RIDE CONTROL,	
					COMFORT STEER, 3RD SPOOL VALVE	
					HYDRAULIC LOADER COUPLER	
					82" LOADER BUCKET FOR HYDRAULIC COUPLER	
					PILOT JOYSTICK CONTROLS WITH POWER LIFT	
					24" BACKHOE BUCKET	
					WARRANTY: 1 YEAR FULL MACHINE	

TRADE-IN EQUIPMENT					
MAKE, MODEL, AND DESCRIPTION	HOURS	SERIAL NO.	ALLOWANCE		
			\$	Sub Total	101,302.00
			\$		
			\$		
			\$		
Gross Trade-In Allowance			\$	Other Charges	
Less: Amount Owed To:			\$ -		
Net Trade-In Allowance			\$	Total Cash Price	101,302.00
				Trade-In Allowance	-

DISCLAIMER OF WARRANTIES Any Warranties on the products sold hereby are those made by the Manufacturer. The Seller, Nueces Power Equipment, hereby expressly disclaims all warranties, either expressed or implied, including any implied Warranty of Merchantability or fitness for a particular purpose, and Nueces Power Equipment neither assumes nor authorizes any other person to assume to any liability connection with the sale of said product. All factory authorized warranty repairs are to be performed at NPE's service center. Travel time and/or hauling are at buyer's expense.
BALANCE DUE UPON DELIVERY BUYER AGREES TO ALL TERMS AND CONDITIONS OF THE SALE SET FORTH ON THIS PAGE BUYER'S SIGNATURE CUSTOMER P.O. #

Total Cash Price After Trade-In	101,302.00
Sales Tax	EXEMPT
State Fuel Surcharge	EXEMPT
Heavy Inventory Tax	EXEMPT
Cash on Delivery	
Balance Due	101,302.00

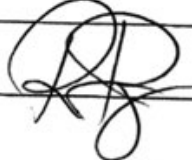
Robert Zohrer
SELLER'S NAME
SELLER'S SIGNATURE



VENDOR'S NOTICE OF INTENT TO SUBMIT A BID

If you intend to submit a bid for **New 4x4 Backhoe Loader - RFB No.: 2020-21-13** with the City of Weslaco as outlined in the specifications, please indicate your intention by signing, dating, and returning this form to the address below prior to **April 29, 2021** so that you may receive any addendums to the specifications should the need arise.

**Homer Rhodes
City of Weslaco
Purchasing Office
255 S. Kansas Avenue
Weslaco, Texas 78596
Phone: 956.447.2240
hrhodes@weslacotx.gov**

Name: <u>Robert Zohrer</u> (print / contact person)	Signature: <u></u>
Title: <u>Sales Representative</u>	Company/Agency: <u>Nueces River Equipment</u>
Mailing Address: <u>PO Box 4789</u>	City/State/Zip: <u>Corpus Christi, TX 78469</u>
Phone: <u>956-245-6372</u>	Fax: _____
Email Address: <u>roboto@nretex.com</u>	_____

Bid No.: 2020-21-13

NEW 4X4 BACKHOE LOADER RFB NO.: 2020-21-13
BID FORM

CITY OF WESLACO

**NEW 4X4 BACKHOE LOADER
BID AGREEMENT FORM**

The Nueces Power Equipment (bidder), having read the specifications, proposes to furnish a New 4x4 Backhoe Loader for the full and firm agreed price and within a favorable delivery time, in full compliance with the specifications.

Respectfully submitted this 28th day of April, 2021

The undersigned affirms that they are duly authorized to execute this price agreement / contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Company Name: Nueces Power Equipment

Address: 1 Industrial Way

City/State/Zip: San Benito TX 78586

Phone Number: 956 245 6372 Fax Number: 956 399 0407

Authorized Signature:  Title: Sales Representative

Robert Zedler

Print Name

E-mail roberto@npe tex.com



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4155	
From: David Arce			
Subject: Discussion and consideration to award the purchase of Four (4) Pickup Trucks RFB No. 2020-21-14 to the most advantageous bidder(s) Caldwell Country Chevrolet (\$34,775), GUNN Buick GMC LTD (\$86,894), Boggus Ford (\$30,784), and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background: Pickups are to be used by public works and sanitization department this coming year.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
David Arce		Created/Initiated	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff Recommends Approval			
Attachments, if any: Tabulation RFB 2020-21-14 Trucks, Memo Pick Up Trucks RFB, Pick Up Trucks Cost Factor Sheets			
Responsibilities upon Approval:			



Date:

4/29/2021

**City of Weslaco
Tabulation for Pick Up Trucks
RFB No.: 2020-21-14**

BOGGUS FORD Steve Hollon 1400 East Hwy 83 McAllen, TX 78501 Ph No.: 956.873.1175 Office No.: 956.686.7411 shollon@boggusford.com	Caldwell Country Chevrolet Averyt Knapp P.O. Box 27 Caldwell, TX 77836 Ph No.: 956.567.6116 Office No.: 956.567.0853 aknapp@caldwellcountry.com	GUNN Buick GMC LTD Danny Mireles 16440/H35N Selma, TX 78154 Ph No.: 210.599.5000 Office No.: 210.599.4251 dmireles@gunnauto.com	Silsbee Fleet Group Michael Wiley Selma, TX 78154 Ph No.: 254-541-9061 Office No.: mwiley.silsbeefleet@gmail.com
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DESCRIPTION

QTY	Total Price	ETA (Days)	Total Price	ETA (Days)	Total Price	ETA (Days)	Total Price	ETA (Days)
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A 2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) **GAS**

1	28,020.00	168	27,240.00	210	28,762.40	9/20/21+90 Days	29,912.00	90-120
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AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR)

B 2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) **DIESEL**

1	N/A	N/A	34,775.00	210	34,851.60	9/20/21+90 Days	N/A	N/A
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AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) **ALTERNATE BID**

C 2021-2022: 1/2 TON PICK UP EXTENDED CAB **GAS**

1	30,594.00	168	29,700.00	210	30,866.08	9/20/21+90 Days	31,983.00	120-150
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AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER)

D 2021-2022: 1/2 TON PICK UP EXTENDED CAB **DIESEL**

1	N/A	N/A	N/A	N/A	37,103.28	9/20/21+90 Days	N/A	N/A
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AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) **ALTERNATE BID**

E 2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) **GAS**

1	30,784.00	168	32,775.00	210	32,129.25	9/20/21+90 Days	32,699.00	90-120
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AS SPECIFIED ON PAGE 9 (PUBLIC WORKS)

F 2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) **DIESEL**

1	33,242.00	168	39,210.00	210	37,339.60	9/20/21+90 Days	N/A	N/A
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AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) **ALTERNATE BID**

G 2021-2022: 3/4 TON PICK UP EXTENDED CAB **DIESEL**

1	48,255.00	196	50,880.00	240-270	49,789.84	7/01/21+90 Days	47,465.00	180
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AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC)

(2,324.84)

H 2021-2022: 3/4 TON PICK UP EXTENDED CAB **GAS**

1	39,059.00	196	41,975.00	240-270	40,701.71	7/01/21+90 Days	40,403.00	180
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AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) **ALTERNATE BID**

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Letty Lopez, Commissioner, District 5
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: May 6, 2021
To: City Commission
From: David Arce, Deputy Public Works Director
Subject: PICK UP TRUCKS / RFB NO.: 2020-21-14
Cc: Mike Perez, City Manager
Vidal Roman, Finance Director

On April 29, we received bids from 4 vendors for Pick Up Trucks. Public Works Department is requesting approval to purchase Four (4) New Pick Up Trucks as listed below:

Item B ½ Ton Crew Cab, Diesel, from Caldwell Country Chevrolet in the amount of \$34,775

Item D- ½ Ton, Ext. Cab Diesel, from Gunn Buick, GMC LTD in the amount of \$37,104

Item E- ½ Ton, 4x4, Crew Cab, from Boggus Motor Co. in the amount of \$30,784

Item G- ¾ Ton, 4x4, Extended Cab, Diesel, from Gunn GMC LTD in the amount of \$49,790

Items B, D, G, will be used for sanitization department, for the Supervisor, Inventory Manager, and a Mechanic, respectively. Item E is for Public Works administration as discussed at the last workshop.

Staff Recommends Approval.

ORDER

CITY OF WESLACO

REVISED - COST FACTOR SHEET FOR PICK UP TRUCKS

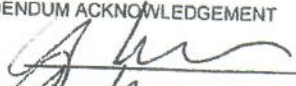
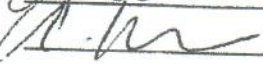
RFB No.: 2020-21-14

Proposed by:

Caldwell County Chevrolet PO Box 27 Caldwell TX 77936
 Company Name Address City State
 979 567 1500 averyt@caldwellcountry.com J. W.
 Phone No. E-mail Signature

ITEM	DESCRIPTION	QTY	UNIT PRICE	DELIVERY DAYS
A	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) CC10543-9ms	1	\$27,240	210 2
B	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) ALTERNATE BID CC10543 DSL	1	\$34,775	210 1
C	2021-2022: 1/2 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) CC10753 6.5' Bed	1	\$29,700	210 2
D	2021-2022: 1/2 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) ALTERNATE BID N/A	1		✓
E	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) (4x4) CK10543-V8	1	\$32,775	210
F	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) ALTERNATE BID (4x4) CK10543-DSL	1	39,210	210
G	2021-2022: 3/4 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC) (4x4) CK20953-DAL	1	50,880	240-270
H	2021-2022: 3/4 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) ALTERNATE BID (4x4) CK20953-GAS	1	41,975	240-270

ADDENDUM ACKNOWLEDGEMENT

#1 
 #2 
 #3 _____
 #4 _____

CITY OF WESLACO

REVISED - COST FACTOR SHEET FOR PICK UP TRUCKS

RFB No.: 2020-21-14

Proposed by:

BOGGUS MOTOR CO. II, LLC	2521 S. EXPRESSWAY 83	HARLINGEN	TEXAS
Company Name	Address	City	State
(956) 423-2580	shollon@boggusford.com		<i>Sharon Shollon</i>
Phone No.	E-mail	Signature	

ITEM	DESCRIPTION	QTY	UNIT PRICE	DELIVERY DAYS
A	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR)	1	\$28,020.00	168 DAYS
B	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) ALTERNATE BID	1	DIESEL ENGINE NOT AVAILABLE THIS MODEL	
C	2021-2022: 1/2 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER)	1	\$30,594.00	168 DAYS
D	2021-2022: 1/2 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) ALTERNATE BID	1	DIESEL ENGINE NOT AVAILABLE THIS MODEL	
E	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 9 (PUBLIC WORKS)	1	\$30,784.00	168 DAYS
F	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) ALTERNATE BID	1	\$33,242.00	168 DAYS
G	2021-2022: 3/4 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC)	1	\$48,255.00	196 DAYS
H	2021-2022: 3/4 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) ALTERNATE BID	1	\$39,059.00	196 DAYS

ADDENDUM ACKNOWLEDGEMENT

#1	RECEIVED 14 APRIL 2021
#2	RECEIVED 19 APRIL 2021
#3	
#4	

PLEASE REFER TO ATTACHMENT 3 & 4

CITY OF WESLACO

REVISED - COST FACTOR SHEET FOR PICK UP TRUCKS

RFB No.: 2020-21-14

Proposed by:

Company Name: Gunn Buick, GMC LTD Address: 16440 11435N City: SELMA State: TEXAS Zip: 78154
Phone No.: 210-599-5000 Ext 2059 E-mail: dmireles@gunnauto.com Signature: Danny Mireles

ITEM	DESCRIPTION	QTY	UNIT PRICE	DELIVERY DAYS
A	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR)	1	28762 ⁴⁰	FROM SOP 9/20/21 + 90 DAY
B	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) ALTERNATE BID	1	34,851 ⁶⁰	9/20/21 + 90 DAY
C	2021-2022: 1/2 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER)	1	30,866 ⁰⁸	9/27/21 + 90 DAYS
D	2021-2022: 1/2 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) ALTERNATE BID	1	37,103 ²⁸	9/27/21 + 90 DAYS
E	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 9 (PUBLIC WORKS)	1	32,129 ²⁵	9/20/21 + 90 DAYS
F	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) ALTERNATE BID	1	37,339 ⁶⁰	9/20/21 + 90 DAYS
G	2021-2022: 3/4 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC)	1	48,789⁸⁴	7/1/21 + 90 DAYS
H	2021-2022: 3/4 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) ALTERNATE BID	1	40,701 ⁷¹	7/1/21 + 90 DAYS
IN STOCK ALT 2WD 2500 DOUBLE CAB GAS			39,998 ⁶⁴	IN STOCK 30 DAY

Does not meet specs

ADDENDUM ACKNOWLEDGEMENT

#1

#2

#3

#4

CITY OF WESLACO

REVISED - COST FACTOR SHEET FOR PICK UP TRUCKS

RFB No.: 2020-21-14

Proposed by:

Silsbee Ford

1211 U.S. Hwy 96 N.

Silsbee TX

77656

Company Name

Address

City

State

254-541-9061

mwiley.silsbeefleet@gmail.com

Muhl Wily

Phone No.

E-mail

Signature

ITEM	DESCRIPTION	QTY	UNIT PRICE	DELIVERY DAYS
A	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) <u>2021 Ford F-150</u>	1	<u>29,912.00</u>	<u>90-120 Days</u>
B	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) <u>ALTERNATE BID</u>	1	<u>Diesel Not Available</u>	
C	2021-2022: 1/2 TON PICK UP EXTENDED CAB GAS <u>2021 Ford F-150</u> AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER)	1	<u>31,983.00</u>	<u>120-150 Days</u>
D	2021-2022: 1/2 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) <u>ALTERNATE BID</u>	1	<u>Diesel Not Available</u>	
E	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) <u>2021 Ford F-150</u>	1	<u>32,699.00</u>	<u>90-120 Days</u>
F	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) <u>ALTERNATE BID</u>	1	<u>Diesel Not Available</u>	
G	2021-2022: 3/4 TON PICK UP EXTENDED CAB DIESEL <u>2022 F-250</u> AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC)	1	<u>47,465.00</u>	<u>180 Days 1</u>
H	2021-2022: 3/4 TON PICK UP EXTENDED CAB GAS <u>2022 F-250</u> AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) <u>ALTERNATE BID</u>	1	<u>40,403.00</u>	<u>180 Days 2</u>

ADDENDUM ACKNOWLEDGEMENT

- #1 Muhl Wily
- #2 Muhl Wily
- #3 _____
- #4 _____

Alternate:

IN STOCK-OR IN
PROD. currently

CITY OF WESLACO

REVISED - COST FACTOR SHEET FOR PICK UP TRUCKS

RFB No.: 2020-21-14

Proposed by:

Caldwell County Chevrolet PO Box 27 Caldwell TX 77836

Company Name

979 567 1500

Address

averyt@caldwellcounty.com

City

State

Phone No.

E-mail

Signature

ITEM	DESCRIPTION	QTY	UNIT PRICE	DELIVERY DAYS
A	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR)	1	26,350	30
B	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 7 (SOLID WASTE / SUPERVISOR) ALTERNATE BID	1	N/A	
C	2021-2022: 1/2 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER)	1	28,980	JULY-AUG 1
D	2021-2022: 1/2 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 8 (SOLID WASTE / INVENTORY MANAGER) ALTERNATE BID	1	N/A	
E	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) GAS AS SPECIFIED ON PAGE 9 (PUBLIC WORKS)	1	N/A	
F	2021-2022: 1/2 TON PICK UP CREW CAB (4 DOORS FULL SIZE) DIESEL AS SPECIFIED ON PAGE 9 (PUBLIC WORKS) ALTERNATE BID	1	N/A	
G	2021-2022: 3/4 TON PICK UP EXTENDED CAB DIESEL AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECHANIC)	1	N/A	
H	2021-2022: 3/4 TON PICK UP EXTENDED CAB GAS AS SPECIFIED ON PAGE 10 (SOLID WASTE - FLEET MECH.) ALTERNATE BID	1	40,700	90 days

ADDENDUM ACKNOWLEDGEMENT

#1

#2

#3

#4



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4159	
From: David Arce			
Subject: Discussion and consideration to reject bids received under RFB 2020-21-11 and authorize staff to rebid for the purchase of a Low Boy Trailer and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background: On April 20, City commission approved the purchase of a Lowboy from Nexa Trailer at \$57,844. We are requesting to reject and rebid lowboy as Nexa bid the more expensive trailer.			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
Olga Garza		Created/Initiated	
David Arce		Approved	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation: Staff recommends approval.			
Attachments, if any: Memo Rebid LOWBOY TRAILER			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Letty Lopez, Commissioner, District 5
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: May 6, 2021

To: City Commission

From: David Arce, Deputy Public Works Director

Subject: Lowboy Trailer 2020-21-11/ Reject Previous Bids and Rebid

Cc: Mike Perez, City Manager
Vidal Roman, Finance Director

On April 9, we received 6 bids for lowboy trailer to replace a 1991 Witzco Challenger lowboy trailer.

On April 20, City commission approved the purchase of a Lowboy from Nexa Trailer at \$57,844. We are requesting to reject and rebid lowboy as Nexa bid the more expensive trailer.

Staff recommends approval.



**1991 Challenger Lowboy
(Trade in)**



New Proposed Trailer (it will be ordered)



"The City on the Grow"



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4166
From: Olga Garza		
Subject: Discussion and consideration to approve an Amendment to the Municipal Materials Management Agreement with BFI dba Republic Services of Rio Grande Valley and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)		
Background: A Hold Harmless Agreement was approved on March 2, 2020. Republic Services' legal advisor made some changes to the agreement and so we are bringing it back for approval of the final draft.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission: 03/02/21		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA Olga Garza David Arce Pete Garcia Mike Perez		Created/Initiated Approved Approved Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any: Amendment to City of Weslaco agreement - BFI Hold Harmless relined agreement (2)		
Responsibilities upon Approval: Approval Certification		

~~Hold Harmless Agreement~~AMENDMENT TO MUNICIPAL MATERIALS MANAGEMENT AGREEMENT

This ~~HOLD HARMLESS AGREEMENT~~AMENDMENT TO MUNICIPAL MATERIALS MANAGEMENT (this "Agreement") is made effective on March 1, 2021 by and between The City of Weslaco, Texas ("City"), and BFI Waste Services of Texas, LP, a Delaware limited partnership, qualified to do and actually doing business in the State of Texas as Republic Services of Rio Grande Valley ("Company").

WHEREAS, Company and the City are parties to that certain Municipal Materials Management Agreement dated September 1, 2020, whereby Company provides garbage pickup services to the City;

WHEREAS, the City has determined it will be providing its own garbage pickup services at the conclusion of the Agreement term and has asked BFI Waste Services of Texas, LP will be performing to perform the following services for the City of Weslaco during the remaining term of the Agreement: continue existing residential garbage pickup services on the following city-owned containers: (a) 96 gallon residential garbage containers, (b) commercial Frontload Containers, and (c) Industrial roll-off containers (collectively, "City-owned Containers"), as needed until the City of Weslaco begins providing full garbage pickup services ~~to residents~~ within Weslaco, Texas city limits; and

WHEREAS, in exchange for valuable consideration, the City of Weslaco desires to hold harmless BFI Waste Services of Texas, LP from any claims and/or litigation arising out of BFI Waste Services of Texas, LP's damage to ~~City-owned 96-gallon residential garbage containers~~ and the parties desire to modify the existing Agreement to add such a provision;

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the City of Weslaco and BFI Waste Services of Texas, LP hereby agree to amend the Agreement as follows:

TERMS

1. The following is added to the Agreement:

In the event that the Company is asked to service City-owned Containers, the following indemnity shall apply:

Hold Harmless. The City of Weslaco shall fully defend, indemnify, and hold harmless BFI Waste Services of Texas, LP, its officers, owners, personnel, employees, agents, contractors, invitees, or volunteers, from any and all claims, lawsuits, demands, causes of action, liability, loss, damage and/or injury, for any damage caused to city owned 96 gallon residential garbage containers (including without limitation all claims for monetary loss and property damage) whether brought by an individual or their entity, or imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency.

2. Capitalized Terms. Capitalized terms used but not otherwise defined in this Amendment shall have the meanings assigned to them in the Agreement.

3. Continuing Effect. Except as expressly modified or amended by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect. In the case of a conflict in meaning between the Agreement and this Amendment, this Amendment shall prevail.

Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument. Facsimile and/or electronic copies of the parties' signatures shall be valid and treated the same as original signatures.

~~1.4.~~

2. ~~**Authority to Enter Agreement.**~~ Each Party warrants that the individuals who have signed this Agreement have the actual legal power, right, and authority to make this Agreement and bind each respective Party.

3. ~~**Amendment; Modification.**~~ No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

4. ~~**Waiver.**~~ No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

5. ~~**Entire Agreement.**~~ This Agreement contains the entire agreement between the Parties related to the matters specified herein, and supersedes any prior oral or written statements or agreements between the Parties related to such matters.

6. ~~**Enforceability, Severability, and Reformation.**~~ If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited. The intent of the Parties is to provide as broad an indemnification as possible under Texas law. In the event that any aspect of this Agreement is deemed unenforceable, the court is empowered to modify this Agreement to give the broadest possible interpretation permitted under Texas law.

7. ~~**Applicable Law.**~~ This Agreement shall be governed exclusively by the laws of Texas, without regard to conflict of law provisions.

8. ~~**Venue**~~ Any litigation arising from this agreement shall lie exclusively in State court in Hidalgo County, Texas.

9.5. Signatures. This Agreement shall be signed on behalf of City of Weslaco by David Suarez, Mayor, and on behalf of BFI Waste Services of Texas, LP by Jon M. Deicla, General Manager, and effective as of the date first written above.

City of Weslaco

By: _____
David Suarez, Mayor

ATTEST:

By: _____
Norma A. Cantu, City Secretary

BFI Waste Services of Texas, LP

By: _____
Jon M. Deicla, General Manager

APPROVED AS TO FORM

By: _____
Juan E. Gonzalez, City Attorney



Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4160	
From:			
Subject: Discussion and consideration to authorize staff to install speed humps at varies locations and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)			
Background:			
Funding Source (budget code, if applicable):			
Amount:	Term of Impact:	Identified in Current Budget:	
Additional Action Prompted:			
If item previously considered, provide date and action by Commission:			
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:			
Advisory Review, if any (name of board/committee, date of action, recommendation):			
ADELAIDA VEGA		Created/Initiated	
Olga Garza		Approved	
David Arce		Approved	
Pete Garcia		Approved	
Mike Perez		New	
City Manager Comments: Approve.			
Staff Recommendation:			
Attachments, if any: Memo Speed Hump Locations, Proposed Speed Humps			
Responsibilities upon Approval:			

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Letty Lopez, Commissioner, District 5
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Josh Pedraza, Commissioner, District 6

Mike R. Perez, City Manager

INTERNAL MEMO PUBLIC WORKS DEPARTMENT

Date: May 6, 2021
To: City Commission
From: David Arce, Deputy Public Works Director
Subject: SPEED HUMP LOCATIONS
Cc: Mike Perez, City Manager
Vidal Roman, Finance Director

As requested at the last workshop from City commission we are identifying locations to have speed humps installed.

Locations include Las Brisas Subdivision, Republic, and Piasano.

Staff Recommends Approval.

 Proposed Speed Hump





Standardized Agenda Request Form

Date of Meeting: May 4, 2021		Agenda Item No. (to be assigned by CSO): 2021-4167
From: Albert Aldana		
Subject: Discussion and consideration on agreement with Texas Parks and Wildlife for access into Estero Llano Grande for proposed Pleasantview drainage improvements at the FM 1015 crossing and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.)		
Background: With this Surface Use Agreement the Texas Parks and Wildlife Department will permit City and its contractor to have access to the ditch located in the Estero Llano Grande Park, in order to construct Pleasantview Drainage Improvements. This agreement is an interim measure while existing drainage easements at the park are settled.		
Funding Source (budget code, if applicable):		
Amount:	Term of Impact:	Identified in Current Budget:
Additional Action Prompted: Mayor's Signature		
If item previously considered, provide date and action by Commission:		
If item requires Publication Notice, provide date and periodical of publication; indicate if comments received from letters mailed to property owners:		
Advisory Review, if any (name of board/committee, date of action, recommendation):		
ADELAIDA VEGA Albert Aldana Mike Perez		Created/Initiated Approved New
City Manager Comments: Approve.		
Staff Recommendation: Staff recommends approval.		
Attachments, if any: SUA City of Weslaco Final 4.16.21		
Responsibilities upon Approval:		

**TEXAS PARKS AND WILDLIFE DEPARTMENT
SURFACE USE AGREEMENT
AGREEMENT # _____**

THE STATE OF TEXAS §

COUNTY OF HIDALGO §

This Agreement is made and entered into by and between TEXAS PARKS AND WILDLIFE DEPARTMENT, with an office at 4200 Smith School Road, Austin, Texas 78744, hereinafter called "Grantor" or "TPWD" and CITY OF WESLACO, with an office at 255 S. Kansas Avenue, Weslaco, Texas 78596; telephone (956) 969-1533, and hereinafter called "Grantee."

WITNESSETH

WHEREAS, Grantor owns certain land in Hidalgo County, Texas, known as the Estero Llano Grande State Park ("the Land"), which contains important habitat, wildlife, and recreational resources for the State of Texas; and

WHEREAS, Grantee is an incorporated governmental entity; and

WHEREAS, Grantee wishes to upgrade drainage infrastructure on the Land to reduce flooding in the City of Weslaco ("the Project") and the requested location of the Project is: beginning at the FM1015 and Mile 5 N Road crossing, continuing east to the Park Entrance shown in Exhibit A attached hereto; and

WHEREAS, Grantor considers the Project to be in the best interest of the people of the state of Texas; and

WHEREAS, the Project will not interfere with the conservation or recreation purposes for which the Land was acquired and is managed and operated; and

WHEREAS, the State of Texas and the Grantor will benefit from the reduced flooding and water retention that the Project will alleviate in the City of Weslaco and in the Estero Llano Grande State Park;

NOW THEREFORE, in consideration for the mutual promises herein, and other good and valuable consideration, Grantor hereby grants to Grantee this license for ingress and egress over, across and upon the Land for the purpose of upgrading the drainage infrastructure, upon and in the Land.

PROVIDED, HOWEVER, Grantor reserves the right to full use and enjoyment of the properties covered hereby except for the purposes herein granted.

This Agreement will remain in effect for one year from April 1, 2021, or until superseded by an easement from Grantor to the Hidalgo and Cameron Counties Irrigation District No. 9 ("the District") that will run with the land.

THIS LICENSE IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. Access to the site for purpose of exercising the rights granted herein shall be coordinated with, and shall be at the discretion of, the Site Manager. At this time, the Site Manager is Javier de Leon, who can be contacted at (956) 565-3919. Grantee shall not permit anyone on the Land other than its employees and those working directly under Grantee in the prosecution of its work.
2. Grantee shall take all reasonable precautions, including consultation with the Site Manager, to minimize disturbance of the surface and avoid disturbance of fish, wildlife, and critical plant resources while conducting authorized construction, operations, or maintenance on the Land.
3. **To the extent allowed by law, Grantee shall hold harmless and unconditionally indemnify Grantor against and for all liability, claims, and costs which Grantor may suffer or sustain or become liable for by reason of any accidents, damages, or injuries either to the persons or property or both, of Grantee, or of the employees of either party, or of any other parties, or the property of Grantor, in any matter arising from Grantee's use of this license.**
4. Grantee shall not use the Land for any purpose other than those purposes above described.
5. Grantee shall not conduct, carry on, or permit to be carried on any operation on the Land which might be or become dangerous to any person or to any property, real or personal.
6. No firearms shall be carried or used by Grantee's employees or contractors anywhere on the Land except that only certified peace officers employed by Grantee may carry firearms while on duty on the Land.
7. Fires on the Land are prohibited in all circumstances.
8. Grantee shall comply with all laws and regulations, including TPWD site regulations, in using the Land and shall not permit or conduct any operation thereon which is unlawful or repugnant to governmental regulation.
9. Grantee shall protect and save harmless Grantor from any and all claims or liens for labor or material used in construction of improvements on the Land.
10. Grantee shall at its own expense keep any improvements to be located on the Land in adequate repair and will keep the facility in a clean and sanitary condition.

11. Grantee shall have rights of ingress and egress from and to the public highway, to the Project, at times and in such manner as will be coordinated with the Site Manager. Grantee shall repair any road damaged by the exercise of the rights granted in this Agreement to a condition as good as, or better than, as found.
12. Grantee shall install all drainage improvements associated with the Project in a place and manner so as not to be a danger to human life, wildlife, or livestock. Any utilities, roads, or other infrastructure necessary for the installation of the Project may require a separate Surface Use Agreement, including additional conditions and/or consideration, at the sole discretion of the Grantor. Fees may be assessed for any use of Grantor-owned utilities or services.
13. If damaged by Grantee or its contractors or agents, Grantee shall replace or restore: any ornamental vegetation planted or maintained for the aesthetic enhancement of the Estero Llano Grande State Park ; any vegetation that is not clearly necessary for the maintenance of the drainage project consistent with the project scope of work; and any structural or ornamental walls, signs, or other built features of the Park entry portal. Removal or restoration of any vegetation and structural or ornamental walls shall be coordinated in advance with the Site Manager.
14. Grantee shall obtain all necessary permits, licenses, and other authorizations required for the installation and maintenance of the Project under this Agreement, including, but not limited to, consultations and permits in compliance with Section 191.131(b) of the Texas Antiquities Code, before conducting ground-disturbing activities. Grantee shall contact the office of the State Archeologist at the Texas Historical Commission, or successor agency, for instructions. As of the date of this Agreement, the telephone number for the State Archeologist is 512-463-5711. Three copies of any completed archeological survey results shall be sent to the Grantor.
15. Grantee shall not assign this Agreement or its rights and privileges hereunder without prior written permission from the Grantor.
16. Grantee agrees that Grantee shall, within 18 months of the execution of this Agreement, install a pump station on the Land, or cause the installation of such pump station, at the southern end of the drainage canal which is the subject of the Project. Grantor agrees to grant the District and or the Grantee the authorizations necessary for the right of ingress and egress sufficient to construct, maintain, and operate said pump station. Grantee will work with Grantor to design a pump station capable of pumping water from the drainage canal into ponds and marshes on the Land during low-flow events and capable of significantly reducing retention times on the Land by pumping water into the Llano Grande during high flow events. Unless otherwise agreed to in writing by the parties, for as long as this Agreement and any related easement or other legal authorization remains in effect, Grantee shall be responsible for maintaining and operating the pump station at no cost to Grantor.

EXECUTED this ____ day of April 2021.

GRANTOR:

TEXAS PARKS AND WILDLIFE DEPARTMENT

by: _____
Rodney Franklin, State Parks Division Director

EXECUTED this ____ day of April 2021.

GRANTEE:

THE CITY OF WESLACO

by: _____

(Name and Title)

City of Weslaco

"The City on the Grow"



David Suarez, Mayor
Leo Muñoz, Mayor Pro-Tem, District 1
Greg Kerr, Commissioner, District 2
Jose "J.P." Rodriguez, Commissioner, District 3
Adrian Farias, Commissioner, District 4
Letty Lopez, Commissioner, District 5
Josh Pedraza, Commissioner, District 6

Mike Perez, City Manager

INTERDEPARTMENTAL MEMO WESLACO MUNICIPAL COURT

DATE: April 13, 2020
TO: City Commissioners
FROM: Rosa Huerta, Court Administrator
SUBJECT: Presiding Judge Samuel V. Sanchez

Judge Samuel Sanchez contract was renewed back in April 2019 for two years. His contract will be expired June 2021. I placed the item in May's New Business for your review and approval.

Should you have any questions or comments, please do not hesitate to contact me.

**THE STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF WESLACO**

§
§
§
§

**AGREEMENT FOR MUNICIPAL
COURT JUDGE SERVICES**

This agreement is made this _____ day of _____ 2021 by and between the City of Weslaco, a home-ruled municipal corporation, 255 S. Kansas Ave., Weslaco, Hidalgo County, Texas 78596, hereinafter referred to as "City" and Samuel Sanchez, P.O. Box 1, Weslaco, Texas, Hidalgo County, Texas 78599, hereinafter referred to as "Judge" for the purpose of serving as Municipal Court Judge for the City of Weslaco.

1. Municipal Court Established. Pursuant to Article II, Section 30 of the Weslaco City Charter the City established the Municipal Court of the City of Weslaco. Such Court has jurisdiction and shall exercise all powers declared by Article II, Section 30 of the Weslaco City Charter to be vested in municipal courts, together with such other powers and jurisdiction as are generally conferred upon such courts by statute and municipal ordinance.
2. Description of Services. The Judge agrees to serve as the Municipal Court Judge for the City with all the powers, duties, privileges and obligations which said office confers by virtue of state law or local ordinance. The Judge's essential responsibilities and duties include, but are not limited to, the following:
 - a) Preside over court dockets and trials for Class C misdemeanors, property matters, city ordinances, traffic violations, criminal jury and non-jury trials, pretrial conferences, juvenile warnings, and other cases appropriately tried in Weslaco Municipal Court.
 - b) Preside over jury and non-jury cases and levy fines commensurate with the violation in such manner to preserve equity and uniformity in the application of existing laws and ordinances.
 - c) Be available on a twenty four hour seven day basis to review and sign search, arrest and blood warrants, appeal bonds, and prisoner transfer documentation.
 - d) Provide arraignment duties as needed and be available for magistrate services within a reasonable time frame after notice by the Police Department.
 - e) Collaborate with the City Commission and City staff to ensure policies and orders are within the parameters of state law but also consistent with the values of the community and needs of the City.

- f) Any duties or responsibilities of a Municipal Court Judge pursuant to and consistent with municipal ordinances and state law.
 - g) Ensure all court documents are properly completed, including but not limited to, disposition sheets, judgment forms, court orders, bond forfeitures, adult warning sheets, request for counsel or any other necessary documentation.
 - h) Conduct arraignments, trials and any other court hearings as may be required by municipal ordinance and state law.
 - i) Assure all traffic convictions are properly reported to Texas Department of Public Safety.
 - j) Keep and maintain a docket containing each case filed and court action taken.
 - k) Issue process to compel the attendance of persons as witnesses and compel the appearance of Defendants in court.
3. Court Facilities and Personnel: The City shall provide office space, supplies and equipment suitable place for holding court and shall pay for all said maintenance expenses. The City shall provide such personnel as is necessary to carry out the administration of the Weslaco Municipal Court. The Weslaco City Manager shall make all final hiring decisions and all questions and issues concerning the administrative positions of the Weslaco Municipal Court.
4. Consideration: As consideration for services provided herein, the City agrees to pay the Judge the sum of \$_____ yearly. Parties shall comply with all provisions of the United States Internal Revenue Code/as amended.
5. Presiding Judge: The Presiding judge is responsible for organizing and scheduling court activities, developing and implementing policies and procedures, allocating the workload and assigning cases, and supervising court support personnel, including but not limited to court personnel and all Associate Judges. Associate Judges shall be appointed by the Weslaco City Commission pursuant to Chapter 29.007 of the Texas Government Code.
6. Qualification: The Judge declares that he is qualified to serve as a Municipal Court Judge in that he is a citizen of the United States and the State of Texas. Should Judge fail to qualify he will be automatically terminated.
7. Indemnity Agreement: The City shall defend, indemnify and hold the Judge harmless from any and all claims arising out of his good faith performance of duties and function as the Municipal Judge for the City.
8. Term of Office. This appointment as Municipal Judge for the Weslaco Municipal Court shall begin on the ____ day of _____, 20__ and expire on the _____, day of _____, 20_____. It is agreed and understood between the City and the

Judge that the Judge serves at the will and pleasure of the City of Weslaco. The Weslaco City Commission reserves the right to terminate and or extend this appointment at any time within the contract period or at the conclusion of the contract period. The arrest and/or conviction of a Misdemeanor or felony crime will be considered grounds for reprimand, suspension and or termination for the Judge. It is further agreed that the Judge has no tenure, expectancy of employment or property interest in employment by virtue of this appointment as Weslaco Municipal Court Judge and none shall arise by virtue of State Law: The agreement shall be construed in a manner consistent with the provisions of the Weslaco City Charter, Municipal Ordinances and State Law governing the judge's jurisdiction, powers, duties and obligations of office.

9. Licensing. The Judge must be in compliance with all applicable State and Municipal standards for the licensing, certification, and continued accreditation if any, necessary to serve as Municipal Court Judge. The City will cover all training costs including any travel required for attendance.
10. Administration. The office responsible for administering and implementing this agreement shall be the City Manager of Weslaco.
11. Reports. The Judge shall submit reports and information to the office of the City Manager when requested to and shall direct all questions, concerns, and problems concerning the administration of the Court to the City Manager.
- 12.

EXECUTED on this the _____, 2021 by the parties herein.

CITY OF WESLACO

MUNICIPAL JUDGE

David Suarez, MAYOR

Samuel V. Sanchez

ATTEST:

Norma A. Cantu, CITY SECRETARY

APPROVED AS TO FORM:

Juan E. Gonzalez, CITY ATTORNEY